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Dominican	11.00	Dn	Qatar	1.00	R	Osaka	2.50	Yen
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Defense Minister In Manila Resigns; Ramos Nominated

By Seth Mydans
New York Times Service
MANILA — President Corason C. Aquino accepted the resignation Thursday of Defense Secretary Rafael M. Ilo and said he would nominate Fidel V. Ramos, the armed forces chief of staff, for the post.

Mrs. Aquino said she would replace General Ramos with his deputy, General Renato de Villa. The appointments are subject to congressional approval.

The appointment of General Ramos and the promotion of a man considered to be his protégé gives the general broad civilian and military powers and marks his debut in civilian politics.

He is said to have presidential ambitions.

Mrs. Aquino made the announcement in a televised address shortly after Mr. Ilo announced his resignation, saying his recommendations for military reorganization were being ignored.

Mr. Ilo, 67, a retired general and former ambassador, had served as defense secretary since Nov. 23, 1986, when he replaced Juan Ponce Enrile, now a senator, who was fired after a series of military threats to the government.

His tenure was low-key, but he



Israeli soldiers breaking open stores Thursday that were closed in a strike by Arab shopkeepers in the West Bank town of Ramallah. (The Associated Press)

Israelis Ease Grip On Gaza

Unrest Subsides And Curfews Are Partly Relaxed

Compiled by Our Staff From Dispatches
JERUSALEM — Israel eased curfews on the Gaza Strip on Thursday as Palestinian unrest in the occupied territories subsided. Officials said thousands of residents of the area went back to work in Israel after being unable to travel for 12 days.

In the United States, the State Department declared its opposition Thursday to a new Israeli policy to use beatings against Palestinian demonstrators to stop protests. Israeli officials have said the policy is designed to lessen casualties in the protests, which in six weeks have claimed the lives of at least 38 Arabs.

Instead of shooting at demonstrators, Israeli policemen will use "punches and blows," Defense Minister Yitzhak Rabin has said.

Relief workers said Thursday that another 22 residents of the Jabalya refugee camp were treated at a United Nations health center after being severely beaten by troops enforcing a curfew. Eight required hospital treatment for fractures and head wounds.

"We are disturbed by the adoption of a policy by the government of Israel that calls for beatings as a means to restore or maintain order," said Charles E. Redman, a State Department spokesman.

Repeating a view expressed by State Department officials since the violence erupted in Palestinian neighborhoods, Mr. Redman said: "We believe that Israel can carry out its responsibility to maintain order on the West Bank and Gaza through the use of humane measures, which do not result in additional civilian casualties."

"We also call on the Palestinian inhabitants of the West Bank and Gaza to preserve order and avoid acts of violence," he said.

Asked about Israeli statements that beating demonstrators is clearly more humane than killing them, Mr. Redman replied: "We believe both are wrong."

Mr. Rabin on a tour of Gaza on Thursday said: "There is a quietening at the moment. I believe the way the forces applied the curfews brought the calm."

About 650,000 people live in the Israeli-occupied area, more than a third in crowded refugee camps, which have been under almost continuous curfew since early last week. There have been only brief

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Mubarak Urges 6-Month Palestinian-Israeli Truce

By Jim Hoagland
Washington Post Service
CAIRO — President Hosni Mubarak of Egypt called Thursday on Palestinians and Israelis to halt for six months all acts of violence directed at each other to clear the way for a new effort to bring peace to the Middle East.

In a letter to Secretary-General Javier Pérez de Cuellar, he referred to the "popular uprising" by Palestinians in the Israeli-occupied territories and said there was growing support for an international conference as the only means of achieving a settlement of the Arab-Israeli conflict.

Mr. Mubarak, embarrassed by

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Klosk

Reagan to Go To NATO Talks

WASHINGTON (AP) — President Ronald Reagan is to go to Brussels in March for a summit meeting of North Atlantic Treaty Organization leaders and a full discussion of our common alliance goals, the White House announced Thursday.

Marvin Fitzwater, the White House spokesman, said that at the meeting, scheduled for March 22, the president would discuss NATO's strength, the Senate debate over ratification of the U.S.-Soviet arms treaty and Mr. Reagan's expected meeting in Moscow with the Soviet leader, Mikhail S. Gorbachev.

Nobel Winners Decide To Set Up Crisis Group

By James M. Markham
New York Times Service
PARIS — At the end of four days of deliberations, an unusual gathering of 76 Nobel prize winners decided Thursday to hold another meeting in two years and to create an emergency committee to intervene with moral authority in crisis situations around the world.

Elie Wiesel, the 1986 Peace Prize winner who organized the conference with President François Mitterrand, said the laureates would discuss NATO's strength, the Senate debate over ratification of the U.S.-Soviet arms treaty and Mr. Reagan's expected meeting in Moscow with the Soviet leader, Mikhail S. Gorbachev.

At the same time, he noted, the removal of General Ramos from the top military post after 11 years of extensions beyond the age of mandatory retirement removes a focal point of resentment among junior officers.



Traders on the Paris Bourse taking orders Thursday as concern over the U.S. trade deficit pushed European stocks down. The

Airbus Seeks To Establish Plant in U.S.

CHICAGO — Airbus Industrie, the European consortium that claimed nearly 25 percent of the world market for new jetliners in 1986, wants to set up an assembly line in the United States, a senior executive said on Thursday.

Adam Brown, vice president for group strategy, said in an interview that Airbus needs to increase production because of a backlog of orders of its A-320 jet, which has been bought by several U.S. carriers.

The United States has been engaged in a long-simmering trade dispute with the European nations that finance Airbus. Washington contends that large European government subsidies to the consortium's four member firms permit it to sell planes at low prices that unfairly rob sales from Boeing Co. and McDonnell Douglas Corp.

The consortium, which groups aerospace firms in France, West Germany, Britain and Spain, believes component manufacturing and final assembly in the United States will help reduce its members' vulnerability to the declining dollar, the currency in which world aircraft sales are priced.

This is the first time Airbus has said it wants its jets assembled on U.S. soil. American firms already produce components for Airbus planes.

Mr. Brown said Airbus wanted to exploit the winding down of production on assembly lines that make U.S. military aircraft.

Final assembly in the United States might also spur more sales to U.S. airlines, which have already placed 129 firm orders and options for the A-320.

Mr. Brown was in Chicago to address local business leaders as part of a U.S. tour aimed at telling Airbus's side of the story regarding subsidies from its member nations.

He said Boeing and McDonnell Douglas also get indirect subsidies through military contracts from the Pentagon. He said that without Airbus, airlines could only buy from American firms, which could distort prices.

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New York Exchange Weighs Fixed Price Limits

By James Sterngold
New York Times Service
NEW YORK — The New York Stock Exchange will consider a proposal to halt trading temporarily in individual stocks if their prices rise or fall by a certain amount, according to John J. Phelan Jr., the exchange's chairman.

The proposal would bring about the most significant change in the way the market functions since the collapse in stock prices in October. It will be taken up at the exchange's next board meeting on Feb. 4, Mr. Phelan said.

Some Wall Street executives have argued that price limits would artificially constrain the free market. But the exchange is eager to introduce its own changes before Congress or the Securities and Exchange Commission impose new trading regulations that investors and brokers might welcome less.

The stock exchange currently operates without any fixed price limits, although it does have rules for temporarily halting trading in individual stocks when there is a large imbalance in buy and sell orders.

But these halts, which are not imposed at any fixed point, are discretionary, initiated by a broker in a given stock, known as a specialist, and approved by exchange officials. In contrast, the proposed system would be based on predetermined limits on price movements, making halts in trading more predictable.

Mr. Phelan explained that, if accepted by the board, the trading halt would probably be based on a price change of a certain percent and would be tried first on just a few stocks.

For instance, he said, if a stock rose or fell more than 30 percent in one day, trading would be halted automatically. During this time — perhaps 10 minutes — news of the halt would be flashed to traders, and then trading would resume.

Mr. Phelan said the exact percentage had not been selected. But the halt would not prevent a stock from declining or rising more when trading resumed.

One aim of a halt would be to give investors an opportunity to note the size of a stock's price movement.

Although price limits have been strongly resisted by some, many long-held assumptions have been jolted by the shock of the stock market's collapse. On the worst day, Oct. 19, the Dow Jones industrial average fell 22.6 percent and

Lawson Softens Demand on U.S. Rates

By Reginald Dale
International Herald Tribune
LONDON — The dollar is still "fundamentally undervalued," but there is no immediate need for an increase in U.S. interest rates to make the currency more attractive, Nigel Lawson, the British chancellor of the Exchequer, says.

"The American authorities should be prepared to raise interest rates, should it be necessary to do so," Mr. Lawson said in an interview. "But I am not saying it is necessary at the present time."

With the recent pick-up in the dollar's value, the U.S. policy of defending the currency through intervention in the foreign exchange markets rather than through an interest-rate increase is "adequate for the time being," he said.

Mr. Lawson's remarks in the interview, in which he also asserted that Washington had done all it could for now to reduce the budget deficit, represented a significant softening of his recent public calls for tougher U.S. action to defend the dollar.

In recent weeks, he has caused annoyance in Washington by appearing to publicly lecture the United States on the need to raise interest rates and to make further cuts in its federal budget.

He added in Wednesday's interview, however, that current U.S. policy "may not remain adequate" if the dollar comes under further pressure. Central bank intervention generally has strengthened the dollar since it hit new lows on Jan. 4, but the currency has eased a bit this week.

Mr. Lawson rejected suggestions by some economists that the British pound is now overvalued. The dollar, despite its recent climb, is still undervalued against all major currencies, he said.

He said that a further decline in the U.S. currency, "which would not help anybody" would depend in part on the next set of U.S. trade figures and the market's response to them. But the reaction of the U.S. authorities to what happens in the market is also "of critical importance," he said.

The Group of Seven leading industrialized nations has "a broad agreement in principle" on the exchange rates it would like to see, but has not adopted specific ranges or targets for individual currencies, Mr. Lawson said.

The Group of Seven includes the United States, Japan, West Germany, Britain, France, Italy and Canada.

He said that the central banks of the Group of Seven, led by the banks of the United States, Japan and West Germany, would not necessarily intervene to defend a specific rate or to prevent the dollar falling through a preordained floor.

If the dollar, for example, was falling toward a psychological barrier such as 120 yen, "it would not necessarily be a very clever time" to intervene, he said. The banks would

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REAL ESTATE FOR SALE
 PARIS & SUBURBS
 RUE DE SOUBOURG
 AVE MONTAIGNE
 HAMPTON 42 25 31
 PORT DE VERSAILLES
 SWITZERLAND
 LAKE GENEVA AREA
 MOUNTAIN RESORTS
 LISA RESIDENTIAL
 NEW YORK CITY (INTERIOR)

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War Beyond Apartheid
Violent Black-Against-Black Conflict Has Major Implications for Whites
 By John F. Burns
New York Times Service
PIETERMARITZBURG, South Africa — High in the hillside cemetery of Simonsburg, his name on a rough-hewn cross, lies the freshly dug grave of Arron Mabuza.

Nearby, in jumbled rows of still newer graves, lie at least three other blacks, perhaps as many as eight or nine, who were killed as they made their way to Mr. Mabuza's burial shortly before the New Year.

Mr. Mabuza, 18, was shot outside his home a week earlier, apparently because his father belonged to a multiracial political alliance, the United Democratic Front.

In the black townships that dot the Edenburg Valley west of this old colonial town, few doubt that his killers, and those who ambushed his mourners with guns and spears, belonged to the Inkatha movement of Zulus, a group that is a rival of the United Democratic Front.

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See RIVALS, Page 5

French-German Defense Council: 2 Sides Move a Step Closer

By Joseph Fichett
International Herald Tribune

PARIS — West Germany and France on Friday set up a Council on Defense and Security for regular consultations on their growing military cooperation, French officials said Thursday.

Both countries' presidents, prime ministers, foreign ministers and defense ministers will sit on the council, which will have a small permanent secretariat, they said.

The council will give a new political focus to the web of strategic contacts between the two nations as France moves closer to a military guarantee for West Germany.

France, on the other hand, appears to have been exposed to West German political divisions over Soviet policy and nuclear weapons.

Clearing the way for nuclear consultations, French leaders have explicitly stated that they would not let their nuclear weapons fall on German soil. The French take the phrase to mean West Germany, but West Germans contend that the guarantee should include East Germany, where the bulk of Warsaw Pact forces are concentrated.

NEWS ANALYSIS

Officials said deliberations would range across security issues from industrial collaboration on new weapons to France's nuclear strategy if West Germany were attacked.

The new body might eventually order the stationing of some French troops close to West Germany's eastern frontier, a step that most observers say they believe to be the single most effective way of reassuring West Germans about Western solidarity.

Formation of the council, together with a similar top-level economic body, will be the centerpiece of a one-day meeting in Paris commemorating the Elysée Treaty signed 25 years ago.

Emerging amid growing European doubts about U.S. nuclear guarantees,

developments, although highly publicized, appears so far to add little significant weight to Europe's ability to defend itself.

Individual concerns are driving the relationship. France apparently sees the military tie as a way to prevent West Germans from being intimidated by Soviet military pressure or seduced by Soviet political and economic blandishments. France, with its commitment to nuclear arms, skepticism about arms control and domestic unity in support of a strong military, seeks to reassure West Germany.

West Germans seem to view the council mainly as an asset for Ostpolitik, their strategy of pursuing European security by improving relations with the Soviet Union. French-German cooperation improves the bargaining position of the Bonn government.

The Council on Defense and Security, by focusing the two nations' bureaucracies, will enable the two countries' leaders to thrash out the competing policies they espouse.

Prime Minister Helmut Kohl of West Germany, a Christian Democrat, insists on the absolute primacy of Western ties, saying recently that "freedom comes before unity" to convey his skepticism about Soviet hints of removing barriers between East and West Germany.

Mr. Kohl is often less persuasive than his foreign minister, Hans-Dietrich Genscher, leader of the Free Democrats and a champion of the Ostpolitik credo that Moscow can be softened by unlimited Western supplies of trade and credit.

President François Mitterrand, a Socialist, said France closer to NATO as part of a

tough anti-Soviet policy, but he has recently moved closer to Mr. Genscher's tactics of playing down the nuclear role in West German security. Mr. Mitterrand has not echoed Mr. Genscher's call for generous Western economic cooperation to accommodate the Soviet Union.

Many U.S. and European officials say they see France's stance as the best remaining opportunity to temper the most extreme versions of Ostpolitik because of West Germany's commitment to the European Community.

West Germany's attachment to Europe and France has become more solid, Foreign Minister Jean-Bernard Raimond of France said, because "we have stopped posing the stupid old challenge of saying that Bonn must choose between Paris and Washington."

To cement the security relationship, France and West Germany have started mending their armies, symbolically at least. France has created a 15,000-man Rapid Action Force that could swiftly put French troops into the front lines if West Germany were invaded.

France and West Germany are setting up a joint brigade comprising soldiers from both nations. Weapons industries in the two nations are collaborating to build a new military helicopter.

But in military terms, the initiatives

seem to add up to little. The Rapid Action Force, of which only an air-mobility brigade would go to West Germany, is acknowledged to be still too lightly equipped to face Warsaw Pact forces.

The brigade is no model for combined forces, for the West German troops are drawn from low-level reserve forces, known as territorial units, because troops from West Germany's regular army cannot serve outside NATO command.

The helicopter program is proving a costly venture in re-inventing technology that could be bought off the shelf.

Neither nation has increased its military spending, and French-German military cooperation seems bound to remain largely symbolic as long as West Germany is locked into NATO while France stays outside NATO's military arrangements.

Lothar Ruhl, the West German deputy defense minister, said at a recent meeting in Paris that his country had "no interest in any changes" in West Germany's position in NATO.

Although not dismissing France's quest for new European military concepts, Mr. Ruhl and other German officials say that they want most to see a French contingent, perhaps part of the Rapid Action Force, in NATO's front lines as a guarantee that France would help defend West Germany territory and not waver.

WORLD BRIEFS

Europeans Weigh Joint Effort in Gulf

LONDON (Reuters) — The defense ministers of Belgium, Britain and the Netherlands met here Thursday for talks that Dutch officials had said would focus on the deployment of a joint minesweeping force in the Gulf.

The British Defense Ministry declined to give details of the meeting, among Wim van Eekelen of the Netherlands, George Younger of Britain and François-Xavier de Donnea of Belgium, but it said that the minister had discussed a Dutch desire for a joint Gulf force.

A meeting was called to discuss a Dutch desire for a joint Gulf force. According to two British newspapers, the three countries plan to have their Gulf minesweeping forces and form an integrated unit with one commander. In Rome, meanwhile, Defense Minister Valerio Zanone said he would raise new finances for the Italian naval force in the Gulf after a parliamentary walkout scuttled a second attempt to provide the funds.

Ethiopia Rebels Attack Relief Convoy

NAIROBI (AP) — Rebels attacked a 17-truck commercial convoy in northern Ethiopia and burned 170 tons of relief food being sent to drought victims, relief and diplomatic officials said Thursday.

The ambush last Friday occurred 15 miles (24 kilometers) west of the Red Sea port of Massawa. The convoy was headed for Asmara, administrative capital of Eritrea, which is among the provinces hardest hit by a drought.

The Eritrean People's Liberation Front took responsibility for the attack but said the vehicles were part of a military convoy carrying military supplies. A Western official in Addis Ababa said he did not believe that the rebels knew the commercial convoy was carrying relief food.

Britain Joins Ship Project of Allies

LONDON (Reuters) — Britain said Thursday that it would join a multinational project to develop a naval frigate for the 1990s, but it warned Western allies that it would withdraw if deadlines were not met.

The defense minister, George Younger, ended months of indecision when he said London would sign an agreement on the NFR-90 project, which plans to provide about 50 ships for NATO navies. The United States, West Germany, Spain, Canada, Italy and the Netherlands signed in October, and France is expected to agree soon.

The British Defense Ministry, under pressure from the Pentagon for a swift decision, had delayed a response because it said it feared that no suitable air-defense systems were being developed for the ships. Mr. Younger said Britain would take part in the first development stage in the £8 billion (\$14.4 billion) project but would withdraw if there was no agreement on the design of the hull or on air defenses within a year.

China Frees 59 Held in Tibet Protests

BEIJING (UPI) — The Chinese police in Tibet released 59 persons Thursday who were held for nearly four months after anti-Chinese riots in the Himalayan region, the Xinhua press agency said. More than 40 others remained in custody.

The agency said most of those released had "shown repentance," but it did not explain why the others in detention were not released. The demonstrators were freed at the request of the Panchen Lama, the agency said. The Panchen Lama, one of the region's most important spiritual leaders, is visiting Lhasa, the Tibetan capital.

Diplomats in Beijing suggested that the decision to free the protesters indicated that China was seeking to calm continuing anti-Chinese sentiment among Tibetans. At least six persons died and many others were wounded in three violent protests for Tibetan independence in Lhasa last fall. Witnesses said most of the casualties were caused by police gunfire.

2 Bangladesh Ministers Quit Posts

DHAKA, Bangladesh (Reuters) — Two cabinet ministers in a dispute with President Hussain Mohammed Ershad over upcoming national elections resigned Thursday as a two-day, anti-government general strike came to an end.

Aides said Health Minister Salahuddin Kadir Chowdhury and Information Minister Anwar Zahid quit, saying they would not run in parliamentary elections scheduled for March 3. Mr. Chowdhury, in a letter to General Ershad, said the election "would neither strengthen you nor would it help the nation in overcoming the present political impasse." Opposition parties say they will boycott the elections unless the general steps down.

A strike, meanwhile, by groups opposed to General Ershad ended Thursday. Hundreds of homemade bombs exploded in Dhaka, and election offices and vehicles were burned. No serious injuries were reported, the police said, but businesses, banks and factories were closed in the capital and other main towns.

U.S. Aviation Agency Makes Plea on Pilots

By Laura Parker
Washington Post Service

WASHINGTON — The U.S. Federal Aviation Administration, citing concern over the experience of the pilots in the Continental Airlines crash last year at the Denver airport, asked the airlines Thursday to avoid assigning inexperienced pilots to the same flight.

The agency also announced that it was tightening rules regarding aircraft maintenance, and it made public statistics that showed a huge jump in the number of near-collisions last year.

In an advisory to the airlines, the agency recommended that captains make all takeoffs and landings in bad weather when teamed with a co-pilot with less than 100 hours experience in that aircraft type.

The two pilots of Continental Flight 1713, which crashed Nov. 15 while taking off in a snowstorm, had relatively little flying time in the DC9-10 model despite their overall experience. The co-pilot, Lee Bruecher, who was making his second flight as a DC9 co-pilot, was flying the plane at the time it flipped onto its back, killing 28 of the 82 people on board.

particularly at expanding airlines, is an industry-wide practice.

Henry A. Duffy, president of the Air Line Pilots Association, which represents 39,000 airline pilots, said the pilots would rather the aviation agency concentrate its efforts on training programs.

"If they're saying his training isn't adequate to allow him to fly with any of the other pilots on that airline," he said, "then we say the training program is inadequate."

Mr. Duffy praised the aviation agency for pushing the airlines to repair broken equipment on aircraft more promptly. In a letter to airlines, the agency warned that airlines must repair malfunctioning equipment within three days.

Delays in maintenance were brought to light in congressional hearings last fall when pilots for Eastern Air Lines accused their employer of deferring maintenance to such an extent that they said passengers were being placed at risk.



OVAL OFFICE MEETING — President Reagan met Thursday with Foreign Minister Hans-Dietrich Genscher of West Germany, and both urged swift Senate ratification of the U.S.-Soviet treaty banning intermediate-range nuclear missiles in Europe. "We sincerely and fervently hope the U.S. Congress will pass the ratification legislation as soon as possible," Mr. Genscher said.

Paris-Bonn Axis Rebuke By Russians

MADRID — Foreign Minister Eduardo A. Shevardnadze of the Soviet Union warned France on Thursday against becoming "a dissonant voice" on arms control through its tightening of military links with West Germany.

Mr. Shevardnadze said Spain and the Soviet Union agreed that the INF Treaty signed in Washington last month was an important first step toward overcoming the division of Europe.

He said at a news conference that a joint defense council to be set up by France and West Germany on Friday affected the interests of Europe and the Soviet Union. He said the matter was too serious for comment before details were known.

Mr. Shevardnadze said, however, that "it would be very inappropriate after the signing of a treaty like the INF elimination pact for Paris to become a dissonant voice."

During negotiations for the INF accord, Moscow dropped its insistence that France and Britain cut back their arsenals as a condition for the removal of Soviet SS-20 nuclear missiles from Europe.

But Soviet officials say the signing of a pact to halve superpower long-range nuclear arms would have to be followed by British and French involvement in nuclear disarmament.

Moscow and Washington have expressed hope that a strategic arms accord will be ready for signing at a summit meeting in May or June.

TRAVEL UPDATE

Britain will modernize its air-traffic control system by 1990 to improve air safety after several near collisions in British airspace. The Civil Aviation Authority said Thursday that a £22 million (\$39 million) computer had been ordered as part of a £200 million, five-year program to improve the system.

Ottawa International Airport halted incoming flights Thursday after a caller to a local radio station said a bomb would explode at the airport, an airport spokesman said. The caller said he represented the American Revolutionary Army, the spokesman said.

Air traffic controllers in Brussels disrupted flights Thursday with a third day of intermittent wildcat strikes for better working conditions, airport officials said.

Iraq and Syria are to re-establish air links between their capitals, ending a seven-year break, the Abu Dhabi newspaper Al-Itihad reported Thursday. The paper said the head of Iraqi Airways would visit Damascus in the next two weeks to prepare for the flights.

The Belgian national airline Sabena began a weekly flight from Brussels to Luanda, Angola, on Jan. 14.

Snow fell steadily Thursday across much of the Swiss Alps, improving the weekend outlook for skiers, the Swiss national tourism office said. Excellent conditions, with an average of 20 to 24 inches (50 to 60 centimeters) of snow, were reported at the highest resorts in the Valais, Graubunden and Ticino cantons.

Italian airport ground staff, airplane cabin crews and air controllers will hold a 24-hour national strike Feb. 19, airline unions announced Thursday. Ground workers also announced regional three-hour strikes for Jan. 29, Feb. 2, Feb. 7, Feb. 10 and Feb. 16.

After Revolt, Alfonsín to Purge Officers

By Alan Riding
New York Times Service

BUENOS AIRES — Bolstered by the failure of an army revolt, the government is planning a purge of extremist middle-ranking officers in hopes of securing military support for Argentine democracy.

A government official said that the crisis this week had created an opportunity to carry out these changes because, for the first time in decades, the armed forces as a whole had shown that it was willing to suppress a military uprising and defend democracy.

Mutines in six army units were led by a captain, officer, the former Lieutenant Colonel Aldo Rico, who led a similar rebellion against the army high command in April. But while senior officers wavered in putting down the revolt last year, they closed ranks this week behind the army chief of staff, General José Dante Cardil.

The official emphasized that President Raúl Alfonsín intended to go beyond simply purging and punishing the more than 70 officers who backed Mr. Rico. The president's objective now, the official said, was to shape a legitimate role within the democratic system for army forces that in the past had assumed the right to interfere in politics.

"The focus has always been on the past, and on that we'll never agree," the official said, referring to the human rights abuses of the former military government and its defeat in the Falklands War against Britain five years ago. "What is essential is that, from now on, we can agree on a stable political system that incorporates the armed forces."

Yet, while local politicians and foreign diplomats say that the four-year-old democracy in Argentina is stronger today than it was a week ago, they acknowledge that it may be some time before the armed forces fully accept subordination to civilian authority.

"You have to remember that the armed forces have not only governed this country for most of the past 50 years, but they have also enjoyed enormous social and economic privileges," a Latin American diplomat said. "So we're talking about an entire process of re-education. They have to be taught to play a different role."

The collapse of the mutinies this week suggests, however, that the most critical dispute between the Alfonsín administration and the armed forces may have lost some of its importance. Their greatest contention is over how to deal with officers responsible for the deaths of about 9,000 people during the so-called "dirty war" against leftist subversion in the late 1970s.

During his abortive rebellion last April, Mr. Rico seemed to speak for many middle-ranking officers when he complained that the army high command had done nothing to protect them against charges of human rights abuses for offenses carried during what they considered to be a legitimate war against communist activists.

Furthermore, although nine former junta members had been found guilty and jailed for their role in the "dirty war," a 1986 law creating a deadline for the initiation of new human rights cases resulted in charges against 200 to 450 officers, most of them under the rank of general.

After the rebellion in April, the Congress enacted a law that recognized that junior officers had acted under orders during the "dirty war." The law left only officers above the rank of lieutenant colonel subject to prosecution, eliminating what was perhaps the main source of discontent in the armed forces.

But from the army barracks where he was being held, Mr. Rico continued protesting against the army high command, and specifically against General Cardil.

Describing his campaign as "Operation Dignity," Mr. Rico said that retired and active duty generals should be held accountable for the defeat of Argentina in the Falklands War and were responsible for the armed forces being ostracized after their victory over leftist guerrillas.

As Mr. Rico's oratory escalated toward the end of the year, a confrontation seemed increasingly unavoidable. But in the view of some diplomats, neither Mr. Alfonsín nor General Cardil moved to silence the former officer, apparently because they were unsure of how much support he had in the army.

On Dec. 30, reportedly in defiance of General Cardil, a military judge authorized Mr. Rico to move from a prison to house arrest. A few days later, another judge ordered his return to prison to await court-martial, Mr. Rico fled. In a carefully planned operation, he began his new rebellion from the 4th Infantry Regiment in the town of Monte Caseros, 450 miles (725 kilometers) north of the capital.

Some civilian officials said the failure of the six other simulta-

neous mutinies had served to identify those sympathetic to Mr. Rico. Yet, other officials said there was still a strong current in the armed forces in favor of what is known here as "legitimation" of the armed forces' role in the "dirty war."

One official also noted that although a handful of far-right civilians moved to support Mr. Rico, the opposition Peronist Party quickly denounced the rebellion as an attempt to undermine democracy. "In the past there has never been a military coup without civilian participation," the official said. "This time, no important civilian sectors reacted."

Diplomats said that the Peronists, who hope to win the presidential election next year, can be expected to support Mr. Alfonsín's policy toward the armed forces.

"If political power does not design a military policy," Hernán Spasimo Mayer, a Peronist spokesman, said Wednesday, "the military will design its own policy."

neous mutinies had served to identify those sympathetic to Mr. Rico. Yet, other officials said there was still a strong current in the armed forces in favor of what is known here as "legitimation" of the armed forces' role in the "dirty war."

One official also noted that although a handful of far-right civilians moved to support Mr. Rico, the opposition Peronist Party quickly denounced the rebellion as an attempt to undermine democracy. "In the past there has never been a military coup without civilian participation," the official said. "This time, no important civilian sectors reacted."

Diplomats said that the Peronists, who hope to win the presidential election next year, can be expected to support Mr. Alfonsín's policy toward the armed forces.

"If political power does not design a military policy," Hernán Spasimo Mayer, a Peronist spokesman, said Wednesday, "the military will design its own policy."

Portuguese Man Sentenced

LEIRIA, Portugal — A former bank clerk has been sentenced to 20 years in prison, the maximum allowed under Portuguese law, for killing seven people, officials said Thursday. The former clerk, Vitor Manuel Jorge, 39, shot and killed five people after a party and knifed his wife and a daughter.

MUBARAK: Truce Sought to Help New Peace Effort

(Continued from Page 1)

purchases made since Egypt signed a peace treaty with Israel in 1979. Mr. Mubarak described the U.S. proposal to shift the debt to commercial banks as a "trick" and "a trap that I will not fall into."

He said that the proposed Egyptian-U.S. coproduction of the M-1 tank in Egypt was "a very good symbol of cooperation" needed to balance U.S. production of "so many arms in Israel."

He said he maintains confidence in and a private dialogue with the Israeli foreign minister, Shimon Peres, who backs an international Middle East peace conference. But Mr. Mubarak said that he did not understand the Israeli prime minister, Yitzhak Shamir. "Why is he so afraid of an international conference?" Mr. Mubarak asked.

Mr. Mubarak conferred last week with King Fahd of Saudi Arabia, King Hussein of Jordan and Yassem Arafat, chairman of the Palestine Liberation Organization, while working on his five-point peace initiative. He said he would formally announce the plan in Egypt on Friday.

The initiative, as described in the interview, appeared intended to build a consensus among Arab rulers and PLO factions who are prepared to negotiate with Israel. It also seemed aimed at dramatizing the view that the unrest in the Gaza Strip and the West Bank has underlined an urgent need for an end to the Israeli occupation, which followed the 1967 war.

Mr. Shamir has rejected a peace conference sponsored by the United Nations, contending that only direct bilateral negotiations between Israel and Jordan can lead to peace.

Mr. Mubarak reiterated Thursday his belief that an international conference would be a ceremonial prelude to direct negotiations.

He offered no details of how the issue of Palestinian representation at such a conference might be handled. He declined to say whether he thought the formation of a Palestinian government-in-exile by the PLO would help the peace process.

On the Gulf conflict, Mr. Mubarak said that the Egyptian decision to send military advisers, civilian labor and weapons to Iraq would not necessarily be repeated in smaller Gulf states.

"Each of these countries has its own characteristics, each has its own way of dealing with the tensions with Iran," he said. "Some of them have their connections with the Iranians."

"I know that not everybody will

Lenin as Icon: Not Wife's Idea

The Associated Press

MOSCOW — Soviet television said Thursday that Lenin's wife objected to the museum where his body rests, and it showed rare film of the Soviet founder's funeral to mark the anniversary of his death.

Documentary film that had not been widely shown in the Soviet Union since 1925 included footage of Stalin and his rivals for power mourning Lenin's death on Jan. 21, 1924.

Lenin's body is still in the mausoleum. Soviet leaders stand atop it to review parades, and Russians stand in line for hours to see the body.

But film makers said in the movie that Lenin's wife, Nadezhda Krupskaya, "especially objected" to the idea of the mausoleum. "It seemed to her that a mausoleum opened the way to treating Lenin like an icon," the film said.

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ISRAEL: Grip on Gaza Is Eased as Unrest Subsides

(Continued from Page 1)

Leaders of the 650,000 Arab citizens of Israel have voiced support for the Palestinians in the occupied territories and called a solidarity demonstration in Nazareth on Saturday.

The relaxation of curfews came as Israeli employers said the absence of cheap Arab labor was causing serious economic damage and education officials made emergency plans to draft high school students for the citrus harvest.

Palestinians said fatigue, hunger and the need to earn money had combined with curfews and repression to ease the unrest. Relief workers have said the Israeli blockade of the camps has caused hardship and food shortages, and Palestinians have said people in the camps are going hungry.

Mr. Rabin has barred food and clothing shipments to the territories from foreign governments and organizations as long as traders there continue protest strikes. The UN Relief and Works Agency has been allowed to continue food supplies to the camps.

The United States and Canada demanded Wednesday that Israel allow relief supplies to enter the areas.

"All the stories of starvation are just propaganda with no basis in reality," Mr. Rabin said. "Certainly there are shortages in a curfew but there is no starvation."

Michel Amiguet, International Red Cross director for the Middle East, appeared to support the Israeli contention. (Reuters, AP)

U.S. Probes Evidence Of Illegal Japan Fishing

By Timothy Egan
New York Times Service

SEATTLE — U.S. officials meeting in Anchorage, Alaska, are investigating evidence that foreign trawlers may have been fishing illegally in rich Alaskan waters off the Aleutian Islands in Alaska.

The officials were studying a videotape, taken last week in the Bering Sea, that apparently shows seven large foreign trawlers fishing 39 miles (63 kilometers) inside the 200-mile territorial limit north of the Aleutians.

At issue is the booming market in bottom fish like Alaskan pollock and cod, long harvested by the Japanese but ignored by American fishermen until recently. When the 200-mile limit was established, it took away much of the fishing grounds used by the Japanese. In the last five years, the U.S. bottom fish industry has grown tenfold, reflecting growing demand for Alaskan pollock, most of which is used to make artificial crab meat.

The meeting in Anchorage of State Department officials and other federal fisheries experts and others could result in sanctions on foreign vessels, civil penalties or other measures. A decision on prosecution will be made next week, according to officials with the National Oceanic and Atmospheric Administration, which is charged with such duties.

Administrators
to Begin
Talks

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INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

A Question of Phrasing

The question of the day, month and perhaps year is contra aid, but the discussion of it in this crucial passage is going poorly, perhaps partly because the question is not everywhere put in a proper way. The wrong way is to look at contra aid as a question of principle. Thus, reinforcing certain Reagan administration pronouncements and inclinations, some people say that aid in large doses is right and necessary on an open-ended basis in order to bring peace and democracy. By peace and democracy is meant nothing short of the demise of the Sandinista regime. Either it crumbles in time in battle or, submitting to the popular will, it is cast into darkness at the polls. Others, mostly in Democratic ranks, believe that contra aid is wrong as a matter of principle. Many arguments are offered to support this proposition, but for true believers, none is needed. Although they are not all equally ready to say so, the believers are prepared to accept almost any internal political result that follows termination of the resistance military campaign. The right form of the question of contra aid is, we think, more pragmatic. Is contra aid likely to stiffen or moderate the Sandinistas and to lead on to an acceptable foreign policy result? To ask this question means,

for one thing, that you have not already chosen your answer: You are willing to see what hard evidence the Sandinistas provide in the next few weeks that, if contra aid is cut off, they will respect their democratization pledges. There is no denying that their fellow Latins are making severe demands on them, but the demands are fair. The Sandinistas are being asked to limit their power to the share the people freely give them: That could mean they would consolidate their power. They are being asked to share the revolution of 1979 with the full range of Nicaraguans who supported it over time in battle or, submitting to the popular will, it is cast into darkness at the polls. Others, mostly in Democratic ranks, believe that contra aid is wrong as a matter of principle. Many arguments are offered to support this proposition, but for true believers, none is needed. Although they are not all equally ready to say so, the believers are prepared to accept almost any internal political result that follows termination of the resistance military campaign. The right form of the question of contra aid is, we think, more pragmatic. Is contra aid likely to stiffen or moderate the Sandinistas and to lead on to an acceptable foreign policy result? To ask this question means,

Who Elected the Iowans?

Why is everybody paying so much attention to Iowa? Things are looking up for Bruce Babbitt in Iowa... Bob Dole's lead in the Iowa polls is widening... Gary Hart looked rattled on television in Iowa. Who made Iowa the national barometer? Why should anyone care what happens Feb. 8 in the Iowa precinct caucuses? Let's go back to the old way and let the political professionals pick the candidates. That means going back to the smoke-filled room, letting the bosses choose. The Iowa caucuses, the New Hampshire primary, are part of a much better way. Says who? Look at all those candidates: 13 dwarfs. The voters cannot choose sensibly from so many candidates, including many they have hardly heard of. You're forgetting technology. It used to be impossible for ordinary voters to participate in the choice. The closest they got was a glimpse of a motorcade or a rare radio address. Television and the profusion of primaries have changed all that. Sure, but that does not make Iowa, or New Hampshire, representative. Iowa is unusually liberal. The Times had a poll last fall showing that even the Republicans in Iowa oppose aiding the contra rebels in Nicaragua. Iowa is one reason the Democrats keep nominating unknown super-libs with no chance to win in November. That is partly right. Iowa does allow unknowns to put themselves on the map. But it is not right to say this process produces only losers. Remember 1976. Like him or not, Jimmy Carter won. Besides, an unknown candidate can succeed by this retail route only if there is no nationally known candidate. Look at the Republican side. George Bush and Bob Dole are well known, and they are way ahead in the polls. Well, there is something else wrong with

Iowa as a model. It has very strong special interests, such as agriculture subsidies — welfare for farmers. Did you notice how much emphasis Dick Gephardt gave that in the Democrats' debate last week? True, but he also took criticism for being a single-issue candidate. Remember, Iowans are unusually literate and well-informed. They are used to measuring candidates up close, in schoolrooms and living rooms. When they measure whether a candidate deserves their trust, they are a pretty good barometer for the rest of us. Not as good as the professional politicians. They know what the country needs. There was a fine article about that a couple of weeks ago by Gerald Pomper of Rutgers. He proposed that the primaries come after the conventions. That way, the conventions could pick a few respected candidates and the voters could choose. How would you choose delegates to such a convention? Either the people would do that, in primaries and caucuses, or it would be back to the smoke-filled room. Besides, why do you have so much faith in professional politicians and so little in democracy? Once, people said it was white males who knew what the country needed. Then slaves became voters; the Senate became popularly elected; women became voters; then came the 18-year-old vote. U.S. history is the history of enlarging democracy. Maybe so, but the primary process is discouraging and clumsy. Yes, but it is still evolving. Maybe the country is headed for regional primaries, or a national primary. Maybe Iowa would be a better barometer if it had a primary instead of the complicated caucus. The trick is not to turn back to the political kingmakers; the trick is to trust democracy. —THE NEW YORK TIMES.

Noriega's Palindrome

It turns out that General Manuel Antonio Noriega, behind the facade of his defiance as strongman of Panama, has been exploring a way to release his country to the democratic proprietors. The fate seems to have designed the quest on the model of the classic palindrome (something that reads the same forward and backward): "A man, a plan, a canal: Panama." The man is General Noriega, who ousted the president he had elected by fraud and then picked a pliant one. The plan is a scheme for transition to effective civilian rule put forward by the general's erstwhile comrade, José Blandon. The canal is the great engineering wonder that is at once the defining national asset of Panama and the guarantee of U.S. attention to its affairs. Mr. Blandon, as consul general in New York, seems to have received the general's authorization to open contacts with the Panamanian opposition and others. At some point, General Noriega reportedly thought better of the project and fired Mr. Blandon, but the latter remains in the leadership of the ruling party, the party that fronts for the armed forces. Even if this plan falters, the logic of the situation calls

for something like it. General Noriega cannot possibly provide the steady business climate and the opening for political self-expression that Panama's economic and social maturity demands. He apparently has it in mind, by the way, to trade his resignation for relief from the heavy allegations of corruption, drug trafficking, and so on, that have been directed against him. The design and operation of any process meant to dislodge General Noriega must necessarily be the work of Panamanians. The United States, however, by virtue of its strategic interest in the canal and its position in the hemisphere, cannot avoid being more than an innocent bystander. It was apparently kept informed of the Blandon proceedings, and it made an effort out to react to them in a way that might tempt General Noriega to take up anew a role in which he has unfortunately had some success: as a patriot defending Panamanian honor against the colossus of the North. U.S. officials have been trying to isolate this unfortunate figure and persuade him to resign. That would be the best service to his country that the general could perform. —THE WASHINGTON POST.

Other Comment

Roh's Reconciliation Efforts

Genuine political efforts seem to be under way in South Korea to try to heal some of the deep wounds left by long and sometimes brutal years of authoritarian rule. President-elect Roh Tae Woo, a confidant of the unpopular departing president, Chun Doo Hwan, is the moving force behind these efforts. Mr. Roh often talked during last fall's presidential campaign of the need for domestic political reconciliation. His electoral victory last month, against a divided opposition, apparently has not diminished his interest in this. Now, five weeks from his inauguration, Mr. Roh is giving concrete form to his rhetoric. He has invited opposition political parties to

propose some names from within their own ranks to take positions in his cabinet. This steps well short of being a plan for coalition government. But it does indicate a willingness to broaden the base of his government by sharing some power. That is a gesture of considerable symbolic importance. Legislative elections that are to be held sometime in the next few months could result in greater de facto power-sharing if the two major opposition parties win a majority of seats. That prospect should dissuade the opposition from seriously exploring Mr. Roh's invitation. What he seems to be offering is a chance to lay a foundation for greater political trust, cooperation and shared responsibility. —The Los Angeles Times.

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OPINION

How a UN 'Posse' Could Stop the Gulf War

By William R. Polk

VENCE, France — The American naval venture in the Gulf appears to be winding down. Despite brave talk, the Reagan administration gives the impression that it has found its intervention unsuccessful, costly and unsustainable. The U.S. Navy's latest convoy may not be the last. But many observers, particularly Arab observers, remember with dismay the American withdrawal from Lebanon, and now fear that a similarly chaotic end is in sight in the Gulf.

The bottom line is that the United States has made it possible for Kuwait to stop its petroleum, primarily to Japan, at a cost to American taxpayers of perhaps \$100 a barrel; yet it has not "tamed" Iran, ensured the security of neighboring states or stopped the war.

The U.S. government said it acted to restore the principle of freedom of the seas, to prevent Iran from demoralizing the Gulf states, and to persuade them that America, not the Soviet Union, will defend them. But what has happened? While the Iranians have attacked only one U.S.-reflagged Kuwaiti tanker, they continue to mine the Gulf and to attack other nations' ships. As costs have mounted to well over \$1 billion a day, the U.S. Navy has begun quietly to "deploy" some ships and men. The conservative Gulf states appear to believe that they soon will be abandoned.

What about the Russians? The United States jumped into the Gulf when it feared they might offer to protect Kuwaiti tankers. But that did not keep them out — Soviet warships were already there. So all three U.S. objectives are, at best, in doubt. What must be done now is to end the war. Not only has it harmed U.S. interests there, it has spread cancer-like fear beyond the Gulf. It has made the Soviet intervention in Afghanistan easier. It threatened to bring down the Reagan administration in a web of deceit and lawlessness. Greed for the profits of arms sales has scandalized European governments. Greater dangers loom.

Can it be done? Yes. The United States has means that are cheaper, less dangerous and more acceptable than those now being employed. It has already taken the first step in voting for a UN Security Council resolution calling for a cease-fire in the Iran-Iraq war.

These developments are unfortunate. The reduction of the Italian force begins a process that may now become irreversible. Some 34 West European warships — from Britain, France, Italy, Belgium and the Netherlands — are in the Gulf and adjacent waters. They have enhanced European credibility in the region. But from the start, the presence of the Western naval force has suffered from the ambiguity of its mission.

The United States and the European governments have said their activities in the Gulf were necessary to protect national interests, meaning the security of their own merchant vessels or, in the U.S. case, of reflagged Kuwaiti ships. This prudent posture helped more than one government, including Italy at first, to obtain necessary consensus from reluctant parliaments. But Western officials have also stressed the broader need to assure freedom of navigation in interna-

tional waters. Moderate Arab states have been encouraged by the apparent Western policy of maintaining the free flow of oil. But the contradiction between these two justifications is starting to tear the policy apart. The British have withdrawn five minesweepers from Gulf waters and sent them to Bombay. The French keep most of their fleet in Djibouti, their base on the African coast. The Western naval force in the Gulf currently consists of U.S. warships in the northern Gulf and Italian, Belgian and Dutch units in the southern Gulf, between Qatar and the Strait of Hormuz.

America alone cannot. (U.S. policy makers decided against trying to stop a ship carrying Chinese Silk-worm missiles to Iran; but a multinational force backed by a UN resolution could have done so.) Iran, cut off from markets for its oil, could not buy arms or pay for its submarine movements or corrupt foreign government officials or excite the greed of arms merchants. If the naval force were placed outside the Gulf, to interdict shipping, rather than to convoy in the Gulf, Iran would have no target for kamikaze attacks. The blockading ships would be out of range, outside the Gulf, safe but ineffective — exactly the reverse of the current situation.

True, Iranian mines and speedboats might continue to endanger the shipping of Arab Gulf states; but the Iranian government, which has demonstrated both subtlety and realism in its foreign policy, would recognize that even the worst it could do against its neighbors would be ineffective in its war effort.

The potential advantages of a "stop the war" policy are enormous. It could save the lives of thousands of Iraqis and Iranians and end the destruction of all that years of development efforts had built. An end to the war could change the international climate in crucial ways. It would show Japan how much it needs continued U.S. help in protecting its security and could point the way to a new and urgently needed arrangement between the two on sharing the cost of defense.

It could help to revitalize the nearly moribund United Nations. It could put a damper on international terrorism and help to tame the Lebanese civil war. It could be a cautious second step in improving relations with Moscow. It would take some of the uncertainty out of the stormy international financial climate and perhaps help avert a depression.

And finally, it would replace a dangerous, costly and ineffective policy before, as seems more likely each day, that policy is simply abandoned and the Gulf, like Lebanon before it, is left to chaos.

The writer, a member of the Policy Planning Council in the Kennedy and Johnson administrations, is author of books on the Middle East and was director of the Middle Eastern Studies Center at the University of Chicago. He contributed this comment to the International Herald Tribune.



By EWK in Alhambra (Stockholm) C&W Syndicate

Rising Danger of a European Retreat

By Enrico Jacchia

ROME — The Italian Chamber of Deputies has approved a bill reducing funding for the operation of the Italian flotilla in the Gulf, thus downgrading its size as well as its commitment. At the same time, the Dutch have confirmed that they want to join their Gulf force with those of Belgium and Britain, and reports say the three will cut the total number of ships.

Not only has the danger been reduced; commercial shipping has dropped in response to the risks and high insurance costs. Most Italian shipping companies told the Defense Ministry last week that they will drastically reduce the number of ships they send to the Gulf.

Since official policy is to protect only national commercial vessels, the Italian defense minister has had to announce not only the reduction of the minesweepers but also his intention to cut the number of frigates protecting minesweepers and Italian merchant ships (from eight to four or so). The Belgians and the Dutch recently asked the Italian navy to protect their minesweepers as well. In the absence of a consistent British and French presence. The trend is dangerous, and unless something is done quickly, this pullback is likely to grow into a general retreat. The Europeans must not give the impression that their interest in such a vital region is waning, or that it is less than the U.S. interest. This would send a message both to Iran and to the Arab moderates. In the larger context of U.S.-Soviet relations, the European naval presence has provided a needed show of interest in the Gulf region; it would be a pity to see it compromised.

The other echo of times past comes when the vice president is asked to describe those occasions when he differed from the president on a variety of embarrassing occasions. Be it George Bush on Iran-contra or Hubert Humphrey on Vietnam, the ultimate defense is the same: "I have offered my points of view privately; I am loyal and I have aired my differences only to the president. I am not going to change that now that I am running for the presidency."

The various naval commanders.)

International Herald Tribune.

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There is some justification for the withdrawal of minesweepers: The Iranians have not laid any mines recently, and the Western navies have cleared the main shipping lanes, while keeping each other informed of their respective operations in well-defined zones to avoid overlap. (Despite the official denials, coordinated military operations have been established between

Cheap Dollar: Don't Count on This Deus Ex Machina

By Michael Harrington

NEW YORK — With the sharp improvement in the U.S. balance of trade figures for November, the cheap dollar has emerged as the economy's deus ex machina. The joy, however, should not be untroubled. It is not just the policy of competitive devaluation runs contrary to the official U.S. free trade ideology. Recent history shows that such manipulation of the dollar brings costs as well as benefits.

In August 1971, as part of a "Keynesian" strategy of pumping up the economy to ensure his re-election, Richard Nixon effectively devalued the dollar and, by cutting away its gold anchor, destroyed the postwar international monetary system.

Mr. Nixon, like President Ronald Reagan, engaged in a familiar evasion: a protectionism for free traders. In a recent article, Lawrence Summers of Harvard University defined the essential point of this policy: "A 10 percent decline in the dollar exchange rate is equivalent to a 10 percent tariff on all imported goods and a 10 percent subsidy for all exported goods." The result is instant, seemingly painless, "competitiveness."

Since free trade is a slogan and managed trade an international fact, such hypocrisy would not be too bothersome if not for the side effects. The Nixon policy was one reason the Organization of Petroleum Exporting Countries quadrupled oil prices soon after. Oil producers are paid in dollars. By the late 1970s, European countries were up in arms over the cheap dollar, which was reducing their share of markets. So the appointment of Paul Volcker as Federal Reserve chairman and the turn to tight money in 1979 was a response to international

pressure and to U.S. inflation. It was the first time in recent memory, Business Week magazine commented, that a major American domestic policy had been initiated by foreigners.

That policy shift underlies the remarkable rise of the dollar. Tight money produced high interest rates, which attracted money from all over the world, making the dollar "strong" and U.S. exports noncompetitive. And, as William Greider documents in his book on the Federal Reserve, "Secrets of the Temple," the rates led to the worst recession since the Depression.

Ruble: For a Grand Slam, Free It Up

By Giles Merritt

BRUSSELS — The Gorbachev approach to overhauling Russia's antiquated economy has been a mosaic of small but significant reforms. What is needed now is a bold Grand Slam: Mikhail Gorbachev should introduce a convertible ruble.

The conventional wisdom has been that the protected and inefficient Soviet economic system is too tottery to have a currency that can be freely bought and sold. Yet freeing the ruble would pay handsome dividends. It would give a healthy kick-start to the Soviet-bloc economies and send an encouraging signal to the West.

Just as arms control efforts have done, it would confirm that the Soviet Union and most of its satellites are at last becoming part of the bigger world, and of its economy. The economic liberalizations of the Gorbachev era have picked up much momentum in the past year. The Soviet Union is restructuring its domestic banking system and has just floated its first public borrowing on the Western capital markets since 1917. It was a \$74 million bond issued for the Bank for Foreign Economic Affairs of the U.S.S.R., but it got banner headlines in the world financial press.

Moscow has also been showing interest in the big international economic and financial agencies. It has indicated that it wishes to join the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade and the world

to highly inefficient barter trading. The Comecon nations have twice as many people as the United States but export about one-fourth what America does. Naturally, they would like to increase their export earnings. But an equally important effect of making the ruble fully convertible would be the stimulation to Comecon's industrial imports. All the Comecon economies need the short-term arm that importing more Western technology would give.

The riddle of how the Soviet superpower can lead the space race yet be constantly humiliatingly forced to bring in Western know-how to develop its industries is easily explained. Soviet-bloc industries are paying the price of stagnant international trade and minimal technology transfers.

A message the West would understand.

Western industries would welcome a move to make the ruble a genuine currency. If their Comecon customers were able to pay them in fully convertible rubles, the East-West trading relationship would change overnight. The problems of barter trading are a major disincentive to most Western companies. Such an opening of the Soviet-bloc markets could boost Western economies. Only 7 percent of European Community exports now go there. And there is interest among Americans in increasing sales, even of high technology, to Russia. Making the ruble convertible is the sort of perestroika the West would understand.

International Herald Tribune.

This Job Is Sound And Fury

By Norman Sherman

WASHINGTON — When George Bush moves his lips these days, I hear the words of Vice President Hubert Humphrey running for president in 1968, and it seems to recollect those difficult days. Ten years ago this month, Mr. Humphrey died a deservedly honored man. He had spent more than 30 years in elected office as mayor of Minneapolis, senator from Minnesota and vice president of the United States. During many of those years, he talked of running for president, and in 1968 he got the Democratic nomination. Unfortunately, he ran as the incumbent vice president, struggling to perform the impossible task of staying close to Lyndon Johnson and far away at the same time. He lost to Richard Nixon, who had lost to John Kennedy in 1960 after eight years as Dwight Eisenhower's vice president. As the anniversary of Mr. Humphrey's death approaches, because I worked for or near him for a long time and edited his autobiography, reporters have called me, wanting to discuss his contributions to U.S. society and law. When I have finished my litany of what he thought important, each reporter has remarked that the landmarks I list took place while Mr. Humphrey was in the Senate.

Each reporter has then asked: "Wasn't there something as important accomplished while he was vice president?" I have paused, to appear thoughtful, but I really do not need the time. The answer is simply, "No, there was nothing that came close during those four vice presidential years. The job just didn't permit it, no matter how hard Humphrey tried."

It pains me to say so, but a Spiro Agnew is as likely to do about as well as a Hubert Humphrey or a Walter Mondale or a George Bush. The job of vice president prepares you to be president only in the sense that you are there in case the president dies. It is a job of no consequences of real accomplishments and of delusion that you are an irreplaceable player in important acts of state.

It begins with the Secret Service protection. Agents make you look like a president, all those cars and code names and walkie-talkies and guns and bulletproof vests. Air Force Two, and helicopters, and agents awake outside your door while you sleep, feed the dog in wondrous ways. The delusion continues with the national security briefings. You pretend that they are just like the president's, but they are really just the same edited briefing material that a couple of dozen other anonymous folks at the State Department get.

Voodoo vice presidency often reaches its epiphany with the awesome statement that "I have talked to heads of state." I stood close by when Mr. Humphrey said it and thought it meant something. I heard Walter Mondale say it, and now George Bush proclaims it. It is an expression, trips with empty meaning.

The other echo of times past comes when the vice president is asked to describe those occasions when he differed from the president on a variety of embarrassing occasions. Be it George Bush on Iran-contra or Hubert Humphrey on Vietnam, the ultimate defense is the same: "I have offered my points of view privately; I am loyal and I have aired my differences only to the president. I am not going to change that now that I am running for the presidency."

100, 75 AND 50 YEARS AGO

1888: The Talk of Berlin

BERLIN — A recent city order places Berlin policemen in an odd predicament. They are forbidden to buy at any store when in uniform. Now they are forbidden to be on the streets at any time except in uniform. Tricycles will be allowed in Berlin streets next spring, and if they are not a nuisance bicycle permits will follow. The Berlin police inform an excited public that a criminal who formerly called himself "The Ox" has changed his name to "Elephant." The Arms Bill is another thing which scares people. It was first spoken of in the estimates as 250,000 marks, but in Parliamentary circles a bill to appropriate 200,000,000 is now expected.

1913: For Level Tariffs

WASHINGTON — Mr. Underwood, the Democratic leader in the House of Representatives, replying (Jan. 20) to a question put to him by a witness before the Ways and

1938: China Mobilizes

SHANGHAI — China's civil population is being mobilized for guerrilla warfare against the Japanese invaders, especially around Canton, according to reports today (Jan. 21). In the Province of Hunan, a planning commission has been established for training the masses. In Shensi, nearly a million men are said to have enlisted in the "self-defense corps."

Partial view of an advertisement on the right edge of the page, featuring the text "Rabin Lusit" and "Prospects of T".

OPINION

As Rabin Insists on Force, Prospects of Talks Recede

By Anthony Lewis

TEL AVIV—The first priority is to use force, might, beatings. That is the message from the man in charge of Israel's response to the Palestinian protests, Defense Minister Yitzhak Rabin. As the policy was explained by an analyst in the Jerusalem Post, beating suspected protest leaders "is considered more effective than detentions." A decision to release them after 18 days unless there is evidence to hold them, and "the way they resume stoning soldiers. But if troops break his hand, he won't be able to throw stones for a month and a half."

Underneath, however, there are real doubts by politicians and commentators. The doubts extend not only to the effect of Israel's policy on relations with the Palestinians but to domestic politics. The Labor Party won nearly a quarter of the votes of Israeli Arabs who turned out in the 1984 election. It wants urgently to do better among Arab voters in the election scheduled for November. Just a seat or two could make the difference in the government.

Waiting for a Sadat

SINCE 1967, Israel has extended an invitation to its Arab neighbors to negotiate for peace. The one Arab leader willing to step forward, Anwar Sadat, forged a peace with Menachem Begin that outlasted both of their tenures. But other Arab leaders have refused to come forward. They keep their fellow Arabs in refugee camps as they pursue a policy of not recognizing or negotiating with Israel. Israel must continue to seek peace, and dissident elements of Israeli society, Jewish and Arab, who would thwart such efforts by force must be held in check. But Israel cannot sit alone at a peace conference. While it waits for a representative group of Palestinians who believe in nonviolence and who are prepared to negotiate, it must defend itself.

U.K. Miners Expected To Re-elect Scargill

Arthur Scargill, leader of the unsuccessful 1984-85 British coal miners' strike, is up for re-election as president of the National Union of Mineworkers. Mr. Scargill, 50, first elected president in 1982, is running against John Walsh, 50, a union leader from Yorkshire. Opinion polls indicated that Mr. Scargill would win, but observers said the election was likely to be close. The yearlong strike, which started as a protest against the closure of 20 mines, collapsed in March 1985, despite Mr. Scargill's call to continue. More than 60 mines have been closed since, and the number of miners has decreased from 191,000 in 1984 to 103,000 today. Management-led efforts to boost productivity, British Coal, the state-run monopoly, had a loss of £290 million (\$435 million) in the year up to March 1987. Its 1988-89 loss had been £275 million (then \$1.3 billion).

3 Laboratories To Test The Shroud of Turin

The Vatican has designated three laboratories to test fragments of the shroud of Turin, believed by many Catholics to have been Christ's burial cloth, in an effort to determine its age. The Catholic Agency for Scientific Investigation, Italy, selected the laboratories of the University of Arizona in Tucson, the British Museum in London and the Federal Institute of Technology in Zurich. Four other laboratories that submitted carbon-14 dating tests were eliminated, despite their protests that studies by all seven institutes would add to the accuracy of the tests.

Japanese to Restore 'Rape of Nanking' in Film

TOKYO—After protests from the Italian director, Bernardo Bertolucci, a Japanese film distributor said Thursday that it will restore newsreel scenes to Mr. Bertolucci's film "The Last Emperor" that show atrocities by Japanese troops in China before World War II. Shochiku Fuji Co., the distribution company, had said earlier that the scenes showing Japanese soldiers killing Chinese during the so-called Rape of Nanking in 1937 had been deleted by the producers before the film was delivered to Tokyo.



A Tense, Troubled People

I feel that someone should answer the letter to the editor from Frederick E. White (Jan. 6), as it is typical of much being said about Israel now. I do not for a moment condone what has happened in the Gaza Strip. But I recently spent six weeks in Israel on a fellowship (quite fortuitously—I am not Jewish and had no previous contacts with Israel) and I think that to speak of "a climate of arrogance, inflexibility and xenophobia, in which state terrorism was venerated," or "a state of mind among Israelis that is strikingly similar to that which was responsible for the Jewish people's own terrible suffering," is as offensive as it is untrue. My impression of the Israelis is that they are a very tense and troubled people, caught between the Palestinians and their own fanatical minorities and living in a virtual state of siege (anyone who thinks Israel is paranoid to feel threatened need only look at the size of it on a map, or listen to its neighbors) but still trying to run a democracy, the only real one in the Middle East. I do not say that Israelis are never guilty of excess or that there are no fanatics, but given the same size land and the same problems (and the Palestinian situation was certainly not made by the Israelis alone), the action of many governments might be worse. To take just one recent example, the French reaction to a peaceful anti-nuclear protest sign in New Zealand waters was to blow it up; it was mere luck that only one crew member was killed. How would the French government have reacted to Greenpeace supporters throwing gasoline bombs and stones? F. OLIVER, Penzance, England.

Carter's View Is One-Sided

Regarding Jimmy Carter's appeal for human rights in "Human Rights: The Silence of the Free Helps the Oppressed" (Dec. 23), it is good to see our much maligned and misunderstood former president doing his thing again. He was the president, more than any other, who got the idea of human rights rolling, and deserves credit for it. But his conception of what constitutes a human rights offense is curiously one-sided. In his column, South Africa is the offender most often mentioned, though many of its neighbors have records that make South Africa look like a promised land, even for blacks. Black South Africans cannot vote in free elections, but how many Africans get to vote in free elections? Is oppression worse when practiced by whites?

Praying, Not Kowtowing

On Jan. 7, you published a photograph of an episcopal ordination in Rome with the caption, "Ten new bishops prostrated themselves Wednesday before Pope John Paul II." This implies that the bishops were making some extraordinary form of kowtow to the pope. That is a serious distortion of the rite. In Western Christianity, there are two postures for public prayer. The usual one is standing with head uncovered and hands raised, the familiar stance of the pope or any priest leading the community in prayer. The second is kneeling or lying prostrate, an act of penitence and submission before God. This was not an obsequious to a potentate. DOUGLAS COWLING, Aix-en-Provence, France.

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The editorial on Prime Minister Margaret Thatcher, "A Woman of the Century" (Jan. 8), is a little surprising in its fairness, emanating, as it does, from The New York Times. However, the dig at her for refusing to negotiate with "democratic Argentina" over the fate of the Falklands is shortsighted. Mrs. Thatcher has made it clear that the Falklanders are the only ones who have any say on their status, and they have voted to remain under the British flag. The Argentines apparently are not democratic enough to accept an unfettered vote by the Falklanders. Nor, it seems, are the North Americans. Britain would probably welcome the Falklanders' voting to join Argentina, because it is a very expensive place to defend. But until they do so, it is a nonnegotiable situation. L. ALLWOOD, Le Chateau d'Oleiron, France.

Just Exercising His Right

James Reston certainly does not like Gary Hart. His wrathful denunciation of Mr. Hart, in "Democrats: It's Time to Wake Up" (Dec. 21), made that clear. What is less clear is why Mr. Reston is having such a fit over the simple fact that a politician is exercising his constitutional right to run for president. The attitude among journalists like Mr. Reston seems to be, "How dare you, Gary Hart! Don't you know that you're morally unfit to run for president?" But what harm is there in letting the people decide if Mr. Hart is morally bereft? The argument that Mr. Hart's candidacy is doing irreparable harm to the Democratic Party is bogus. If he wins the nomination, which I think is unlikely, then average Democrats will have weighed in on the character issue. If he loses, he will head back to Colorado or Ireland or wherever. He is not associated with any issue that could create an irreparable rift in the party. Perhaps Mr. Reston feels threatened by Mr. Hart, who has had some harsh things to say about how American presidents are made. The powers that be often have difficulty with people who would not play their game. RICHARD MENSING, Minneapolis.

Letters to the Editor

What about communist countries where no one votes and all civil liberties are denied? What tepid denunciation he has for them. Yet they alone systematically deny citizens the freedom that guarantees all others, the freedom that more than any other was sought by America's founding fathers: freedom of worship. JOAN BERNARD, Venouillet, France.

Children Neglected? Buy Another Babysitter

By Sally Abrahams

BROOKLINE, Massachusetts — I am at a dinner party and so is the mother of three children, ages 3 and under. She is wearing a magenta mini-skirt and has just come from a cocktail party. She speaks of her weekly Nautilus program, her child care (two full-time sitters) and her work. As a mergers and acquisitions lawyer, she is out of town on business at least one night a week. She mentioned nine cities she had visited in the last month and a half alone. Her husband, an investment banker, always works Saturdays. I say to him: "It sounds as if you two go out a lot." His response: "There isn't anything we don't do that we want to do."

Running many of my friends' households. They are called 'nannies' or 'au pairs' — young, usually inexperienced girls from the Midwest or Europe who are seeking adventure and freedom from their parents. We had one such experience. Without telling us, our 18-year-old nanny took our car out of state, picked up some motorcyclists in a bar that did no check her age, and came back with a hangover. I was home when she returned and realized she had been drunk and less than honest. We fired her.

I am not blaming the mothers. Most of these women tell me their husbands want them to quit their jobs or reduce their hours so they can be with their children. Yet the men do not seem willing to make concessions of their own. So they both just buy more help. The other day, my babysitter told me that when we were on vacation she sat for another family because their sitter, a friend of hers, was on crutches. At the end of the week, the couple offered our sitter her friend's job. "I would never do that to the family I work for or to my friend," she told them. So they raised their offer to \$400 a week. They were never there; another sitter would take over at 6 P.M. Who were these unscrupulous sons? Two psychiatrists, I am told. The mother is a child psychiatrist. I wonder what her 2½-year-old son will think when he gets older. I wonder what her small patients tell her about their home life. The writer, a mother of three, contributed this comment to The New York Times.

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GENERAL NEWS

Soviet Defense Chief Criticizes the Press

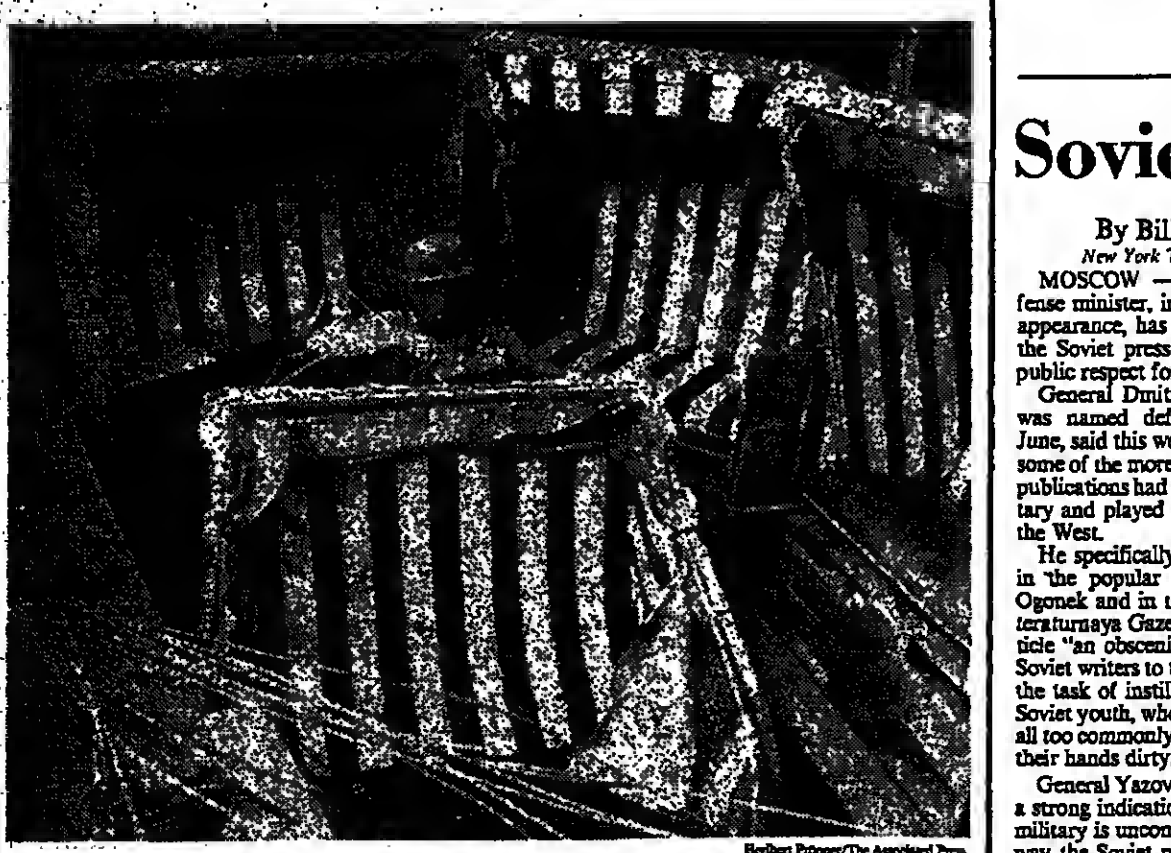
By Bill Keller New York Times Service MOSCOW — The Soviet defense minister, in a rare television appearance, has sharply criticized the Soviet press for undermining public respect for the army. General Dmitri T. Yazov, who was named defense minister in June, said this week that articles in some of the more outspoken Soviet publications had degraded the military and played into the hands of the West. He specifically attacked articles in the popular weekly magazine Ogonok and in the newspaper Literaturnaya Gazeta, calling one article "an obscenity." He called on Soviet writers to turn themselves to the task of instilling patriotism in Soviet youth, who he suggested are all too commonly "afraid of getting their hands dirty."

General Yazov's comments were a strong indication that the Soviet military is uncomfortable with the way the Soviet press has used the greater license given it under glasnost. Mikhail S. Gorbachev's policy of openness. General Yazov spoke to a group of Soviet writers on the weekly military program "I Serve the Soviet Union." The show, a public affairs program directed primarily at soldiers, was broadcast Sunday but was not widely noticed until it was retrocast Monday evening. By Wednesday, it had become a lively topic of conversation in Moscow. Soviet intellectuals viewed it as evidence that the military continues to be a conservative force in Soviet society. General Yazov was Mr. Gorbachev's choice to head the Defense Ministry, and he has been regarded as a man in the modern, Gorbachev mold, a straight-talking officer who has criticized nepotism, inefficiency and sloppy training in the military services. His remarks this week shed some new light on the internal dynamics of the ruling Politburo, of which the defense minister is a nonvoting member. The military has expressed full support for Mr. Gorbachev and his attempt to modernize the economy. Most Western analysts say they believe the military recognizes that radical changes are needed to begin closing the economic and technological gap with the West. But General Yazov's comments indicate that he sides with those in the leadership who are uneasy about consequences of the social liberalization Mr. Gorbachev has used as a way of mobilizing public support. The comments appear to put him in the camp of Yegor K. Ligachev, the chief Communist Party ideolo-

RIVALS: Terror in South Africa's Valley of the Gangs

(Continued from Page 1) coalition of urban-based anti-apartheid groups that was founded in 1983, has a chance to demonstrate that even blacks with the strong rural ties common in the Edendale townships can be persuaded to forsake traditional political loyalties. So far, the tide seems to be running against Inkatha and the man for whom it functions as a political machine, Chief Mangosuthu Buthelezi. As chief minister of the fragmented Zulu "homeland" of Kwa-Zulu, Chief Buthelezi has long regarded the townships around Pietermaritzburg and Durban as Inkatha terrain. But the fragmentation of Inkatha power in the Durban townships is already well advanced, and the signs in the Pietermaritzburg area are beginning to look the same. An observer who believes that Chief Buthelezi is in political trouble is Wyndham Hartley, political correspondent for The Natal Witness, a Pietermaritzburg newspaper. The paper carried reports recently that Inkatha loyalists were fleeing the Edendale townships for squatter camps east of Pietermaritzburg. To Mr. Hartley, this confirmed that the group was losing control. Chief Buthelezi lost here, "he's dead," he said. If whites worry about Chief Buthelezi's fortunes, it is partly because his proposals for reshaping the country would build upon his own, predominantly tribal base. A blueprint for the future of Natal, drawn up by Inkatha, would

allow for a powerful white role, amounting to a veto in matters crucial to the minority's well-being, such as education, language and property rights. On the other hand, special protection for whites has been virtually ruled out by the United Democratic Front, which calls for a rapid transition to majority rule without special provision for racial or ethnic groups. The new regional police commander for the Pietermaritzburg area, Brigadier Jack Buchner, recently took reporters on a tour of townships in the area. While praising the "professionalism" of his men, he said it was time for the force to get back to what he called "basic policing" of the townships, and he pledged that known adherents of either Inkatha or the United Democratic Front would be excluded from police work in the region. But his statements failed to impress the chief United Democratic Front representative in the region, Appiah S. Chetty. A 58-year-old lawyer who spent several periods in detention for his anti-apartheid activities, Mr. Chetty told visitors that he received frequent reports that the police favor the Buthelezi group. "The police role in all this is very nefarious," he said. One case cited by supporters of the United Democratic Front was the Mabuza funeral, when the police, who are routinely on hand at the burials of blacks killed in political violence, were absent from the cemetery when the ambush occurred.



PREPARING FOR SUMMER — Helmut Kosegarten, who rents beach chairs on the Baltic Sea near Liebeck, West Germany, is busy repairing the wickerwork on some of them for this summer. Last summer's cold and rain was bad for his business. He is hoping for better weather this year.

The shroud, a 14-foot (4.3-meter) length of fabric which is kept in the Turin cathedral, is thought to bear the image of a bearded man who suffered the same type of wounds as Christ did during crucifixion. The tests would be able to ascertain whether the shroud dates back about 2,000 years, but they would not establish the identity of the crucifixion victim.

Around Europe

Poland has formally approved an agreement reached last year between Jewish and Roman Catholic leaders to remove a Catholic convent from the grounds of the Auschwitz-Birkenau death camp, according to the World Jewish Congress. The convent may become part of an interfaith center to be established nearby under the terms of the agreement. The accord, reached in Geneva last February, ended months of controversy. Jewish leaders had objected to the convent, because the Polish government had barred establishment of a Jewish memorial on the premises of the Nazi death camp on grounds that non-Jews had died there as well. The World Jewish Congress said it had been notified by Wladyslaw Loranc, Polish minister for religious affairs, that the Polish government was offer-

ing one of three sites near Auschwitz that could be used for an interfaith center. The British Department of Environment plans to keep 1,000 red telephone booths in service. The booths, familiar features throughout the country since 1936, will be designated as national landmarks. British Telecom, in a modernization drive, has already replaced 20,000 of the 50,000 old booths with a new model made mostly of glass. The public has been invited to write to the department to suggest which booths in which locations should be preserved. —SYTSKE LOOLJEN

Exercises Helped Cosmonaut Re-adapt to Gravity

By Felicity Barringer
New York Times Service

MOSCOW — A strict and "very monotonous" exercise regimen paid off in a Soviet astronaut's relatively quick readjustment to Earth's gravity after 326 days in space, the astronaut, Colonel Yuri V. Romanenko, said.

The regimen of a three-kilometer (1.86-mile) jog on the treadmill daily, combined with time on an exercise bicycle and time in a special suit that offers resistance to movement, apparently helped the astronaut keep fit.

In fact, Colonel Romanenko, 43, weathered the mission flight so well that Soviet medical experts predicted man could withstand the physical rigors of a round trip to Mars in a weightless environment. Such a journey could take more than 30 months.

The predictions were made during a news conference Wednesday at which the astronaut, looking pale but fit and trim four weeks after his return to Earth, gave a report on his flight. His 326 days aboard the space station Mir set a record for space endurance. The previous record, 237 days, was set by a team of Soviet astronauts in 1984.

A veteran of two earlier space missions, including a 96-day voyage in 1978, Colonel Romanenko said he readapted to gravity much more easily on this trip.

After the earlier mission, he said, he found that when he first tried to walk, his legs were leaden. "I sweated, I had heart palpitations," he said. "After this mission, he asked to stand while aboard the helicopter that was taking him back to the Soviet space center at Baikonur on the steppes of Kazakhstan where his spacecraft landed.

After he got to his feet, he said: "My muscles were sufficiently strong to support me. Perspiration, palpitations — I didn't feel anything of that sort. On the first day back I jogged 100 meters."

Dr. Anatoli I. Grigoriev of the Institute of Medical Problems said, "I think we can say that a one-year space mission doesn't lead to serious changes in human biology and physiology."

In the context of a potential manned flight to Mars, which has been widely discussed by Soviet space experts but is not seen as realistic until the next century, Dr. Grigoriev said, "I think we could extend the duration of space flights without artificial gravity."

Vladimir Shtalov, director of cosmonaut training, added that the Soviet space program "is not striving for records" of space endurance but rather is accumulating experience which "will be applied to Mars."

Later, speaking to a small group of reporters, the cosmonaut said that pacing oneself was the key to endurance in space.

"The most difficult thing in a duration flight is to retain a high level of ability to work efficiently and to distribute all your forces from the beginning till the end," he said. "The crew had to take care not to lose the ability to work at some point in the middle of the flight."

Colonel Romanenko also said that after his return to Earth he suggested that the decisions of ground controllers to cut back the astronauts' workdays in space was a mistake.

He said astronauts on long flights needed more "creative

work" to sustain their interest and motivation. Colonel Romanenko found his own outlet in space, writing at least 20 songs in his 11 months in orbit.

Colonel Romanenko and his companion, Alexander Alexandrov, were replaced aboard the space station late last month by Vladimir Titov and Musa Manarov. The replacement was the first full crew transition aboard a space station.

The astronauts' psychological attitude was monitored by specialists. Other experts kept track of biological and physiological functions, particularly the cardiovascular system, which is vulnerable during prolonged weightlessness, and the calcium in the bones, which gradually declines in weightlessness.

U.S. to Allow Clearer Earth Photos

World Rivalry in Sharper Space Pictures Spurs Change

By William J. Broad
New York Times Service

NEW YORK — Reversing decades of policy, President Ronald Reagan has acted to allow civilian American satellites to make photographs as sharp as their foreign competitors, removing constraints on taking more highly magnified pictures of the Earth, according to White House officials.

The policy shift, prompted by growing competition in a lucrative field, paves the way for advanced American satellites that would produce sharper images of the Earth for geographers, urban planners and journalists seeking to report on military installations, disasters and other matters.

Until now, private companies had been barred from sending into space satellites that could resolve, or "see," objects smaller than 10 meters (about 33 feet) across. They had not even tried to approach this limit until they saw their fast-moving foreign rivals exceeding it.

The Soviet Union already markets worldwide satellite photographs with a resolution of five meters. Civilian French satellites are almost as good, and the French are planning satellites that would rival the Russians.

The constraints on American civilian satellites were originally created at the request of the Defense Department, which feared detailed photographs would disclose military secrets. But its objections became moot as foreign rivals began aggressively marketing photos.

Today the Russians offer the best quality imagery in the marketplace. The next best civilian satellite, the French SPOT, can resolve objects down to 10 meters. The civilian-operated American Landsat satellites have a resolution no better than 30 meters.

The Landsat system, pioneered by the National Aeronautics and Space Administration, now consists of two older satellites.

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CRITICS' CHOICE

SAN FRANCISCO

Marc Chagall and His Village

A major exhibition of the early paintings, watercolors, gouaches and drawings of Marc Chagall — gathered from galleries, private collectors and museums — can be seen under one roof at the Jewish Community Museum in San Francisco through March 20. Called "The Village," the show traces how Chagall immortalized his home town of Vitebsk in northern Russia, making it a metaphorical setting for everything good and vital in human life. The collection of 69 works includes a 1907 oil on canvas of one of his six sisters, Mariska, titled "Young Girl on a Sofa," and an oil on paper of another sister done in 1914, "Masha Eating Kasha." There are 22 engravings, such as "At Mother's Tombstone" (1922), as well as 24 colored lithographs done for a book on the Bible in later years. In one painting, "The Village Fair," the happy and sad reflections of Vitebsk are blended together with a carnival and funeral taking place simultaneously. Chagall was born in Vitebsk on July 7, 1887, to parents who were Hassidic Jews of modest means. The town itself wasn't a country village, but a manufacturing and commercial city which in 1913 boasted a population of 106,000. During World War II, while Chagall was living in New York, Vitebsk was almost completely destroyed during the Nazi invasion of Russia, and all but 118 of its inhabitants killed. The Chagall family's small brick home was not damaged.

MARSEILLE

Rediscovered Century in Provence

An aesthetic detective story has a happy end with the Marseille exhibition "Painting in 16th Century Provence" by Marie-Paule Vial. Vial spent five years scouring chapels, houses and museums to track down works that confirm her intuition that painting in southern France could not have fallen into a vacuum during the period that separates the medieval twilight moment of the Popes in Avignon, and the full Renaissance glory of France's great 17th century. The resulting show, brilliantly hung in the restored Vieille Chapelle hospital built by Pierre Puget in the 17th century, is a credit to Vial's selectivity. It contains only a few works chosen from the hundreds that she has found, and they are rich to look at, demonstrating that Provence was full of painters who kept artistically abreast of European capitals, as religious style evolved out of the medieval tradition. Prior to this exhibition, Simon de Chailons was considered the only major painter working in Provence in this period; but the works that Vial has brought to light reveal a sophistication (as in this Madonna from an unattributed painting of the Adoration of the Magi) that rises to match the most innovative work of the time. Provence, with its over-arching high and political permeability, has attracted painters from northern Europe and Italy across the centuries. From Renaissance Italy's Simone Martini to Vincent van Gogh, Museum curators in the region are helping redress the notion that Paris always monopolized France's aesthetic as well as its political force. Vial's discovery of so many important works, painted over or simply lost under dust, has ensured places of honor for the newly rediscovered, newly authenticated paintings when they are returned to their old homes.

(Joseph Fitchett)

'Mad, Bad' Lord Byron Turns 200



by Barry James

TOWARD the end, before he stopped a roving, he grew rather fat for a rake. The rings were tight on his pudgy fingers, his long chestnut hair was turning grey, his clothes and speech were curiously old-fashioned.

Reputed the greatest womanizer of his day, described by a mistress as "mad, bad and dangerous to know," the poet Lord Byron had become a prophet abroad and a dark legend in his own country.

Byron, who was born 200 years ago Friday and who received a kind of revolutionary apotheosis on a battlefield in Greece at the age of 36, cast a long romantic, philosophical and political shadow over the events of the 19th century.

"He wanted to end his life here," said the Greek filmmaker Nikos Koundouros, who is making a movie on the last days of Byron called "The Ballad of a Demon." "He was tortured by existential questions and was looking for a revolution in which to die. He thought of South America and Italy, but thought brought him back to Greece."

For Byron Greece was the land of friendship, ancient culture and adventure, the country where he swam the Hellespont and that remained associated in his mind to the idea of his vanishing youth.

As a result of this fatal attraction, Koundouros said, "the word Byron is a very serious one for us. He was damned by the English, but the Greeks have a different idea of him."

To mark the bicentenary, Greece's Ministry of Culture, in collaboration with the British Council and the Hellenic Byron Society, is inaugurating a major exhibition at the university of Athens of books, maps, pictures and prints about Byron and his

contribution to the Greek war of independence against the Turks. Byron died of fever on the battlefield at Missolonghi on April 19, 1824, and was mourned throughout Greece as a symbol of unselfish philhellenism and dedication to liberty.

In his homeland, however, he remained a source of scandal even after death, and the prudish Victorians officially ignored him in favor of other less controversial romantic poets such as Wordsworth, Coleridge and Keats. But the so-called greater poets were less well considered by continental Europeans, who continued to see Byron as the greater man.

Refused burial in Westminster Abbey, he was interred in the vault of his ancestors at Hucknall Torkard church in England. Fellow members of the nobility pointedly sent empty carriages to his funeral. It was not until 1969, 145 years after his death, that a commemorative plaque was finally placed in Westminster Abbey, where many of England's poets and writers are honored.

"Even today, he means more to the Greeks than to the British, there is no doubt about it," said Byron Raizas, a professor of English literature and president of the Hellenic Byron Society in Athens.

"By his death at Missolonghi, he helped place in people's hearts and minds the idea that Greece must be liberated," Raizas said. "The wave of propaganda which he created in support of independence throughout Europe, in Britain and in the United States was very important to us."

Although Byron continued to cast an unconventional romantic spell over writers such as Charlotte Brontë, who modeled Rochester, the dark hero of Jane Eyre, on him, his main influence was on the European continent, where he inspired revolutionary fervor long into the 19th century.



"He had an enormous influence on Italy," said Sir Joseph Cheyne, curator of the Keats Shelley Memorial in Rome, which plans to mark the Byron bicentenary by sponsoring an international conference later this year called "Romantic Expatriates — A Study in Conflict."

"He had a huge political and personal influence on the outlook on life and on the Italian revolutionaries, there's no question of that," Sir Joseph said.

BYRON was a major influence on philosophers and romantic writers in many countries — on Heine in Germany, who saw him as a herald of liberalism; on Mickiewicz in Poland, on Lermontov and Pushkin in Russia, on Mazzi in Italy and on intellectuals as far afield as South America. At his death, French newspapers commented that the two greatest men of the time, Byron and Napoleon, had passed away. "Like many other prominent men," the philosopher Bertrand Russell once wrote, "he was more important as myth than he really was. As a myth, his importance, especially on the continent, was immense."

Byron was an outspoken liberal. In his first speech in the House of Lords, he spoke passionately against a proposal to introduce the death penalty for workers who smashed the oaf-angled weaving frames that were putting many men out of work at the beginning of the industrial revolution. "Is there out blood enough upon your penal code?" he asked proponents of the bill. In Italy, he actively supported the Carbonari revolutionary movement against Austrian and Papal domination. And in the cause of Greek independence, he raised funds and organized a battalion of artillerymen.

But Byron, as famed in his day as the most adulated pop stars of modern times, was known not so much for his political philosophy as for his untrammeled romantic vision. Russell described the feelings inspired by Byron as "the revolt of the unsocial instincts."

He left England in 1816 in the lurch of a disastrous marriage and surrounded by a dark reputation that sent respectable young ladies into a swoon. Byron himself hinted at many dark secrets, including the suspicion that his half sister, Augusta, had also been his mistress. He never denied his repu-



Far left, medallion stamped in Byron's effigy by the French sculptor David d'Angers. Left, "Greece on the Ruins of Missolonghi" painted by Eugene Delacroix in 1826.

tation as a womanizer — he boasted, though, that he had never seduced anyone, that he had always been pursued. His heart, he said, always landed on the nearest perch.

In Venice, where he set up a raucous canal-side household with his ill-disciplined servants, two mistresses, an illegitimate infant daughter, and a collection of dogs and monkeys, his reputation for rakishness continued to flourish. Later, he appeared to find a measure of domestic happiness as the cicisbeo, the accepted lover, of an Italian countess called Teresa Guiccioli.

"It was the first time that he had ever had any normal love," said Sir Joseph Cheyne in Rome. "It was the first time in his life he came close to being normally married. If he was happy, it was because of Teresa."

That affair paled, however, like all the others, and Byron, saying that "though only 36, I feel 60 in mind," turned his attention to what he was already certain would become his death in Greece.

"He is still one of the best-loved characters in Greece," said Koundouros. "He represents the liberal, the philhellenic and the anarchic spirit of that era. Those ideas are still valid for our time."

Byron's poetic legacy was vast but uneven. Although passionate in sentiment, it was controlled in execution, modeled on the more classical style of Torquato Tasso and Alexander Pope. "Child of Harold's Pilgrimage," "The Corsair," and "Manfred" were the most famous products of his feverish revolutionary mind, but his literary reputation stands equally on the satirical "Don Juan" and a clutch of lyrical verses. A fitting epitaph is the verse he wrote to commemorate a fellow romantic, Jean-Jacques Rousseau:

... he knew
How to make madness beautiful, and cast
O'er erring deeds and thoughts, a heavenly
hue.

GÖTEBORG

Art to Combat Hunger in Africa

Fifty painters and sculptors of international stature, under the banner name Artists to End Hunger, have provided works for an exhibition to benefit the world's starving people. The show — "splendid art to match in intensity the world's most crying want," in the words of the catalogue — has just completed its first European stop in Oslo, and opens in Göteborg next month. Artists in the show include Fernando Botero, Per Kirkeby, Nam June Paik, Claes Oldenburg (his "Baked Potato with Butter" shown here), Robert Rauschenberg, Gerhard Richter, and Antonio Saura. Proceeds from the exhibition and the sale of some of the works will go to the International Fund for Agricultural Development, to be used in sub-Saharan Africa. The International Art Show for the End of World Hunger will be on tour for three years, and will be seen by about a million visitors: in Göteborg (Kunstmuseum Feb. 27-April 4); Cologne (Königlicher Kunstverein, April 21-May 29); Paris (Musée des Arts Africains et Océaniques, June 10-July 20); London (Barbican Centre, Aug. 4-Oct. 2) and then on to other cities in Europe, Asia and the Americas.

The New Béjart: Pretty Much Like the Old

by David Stevens

PARIS — Hardly missing a beat, Maurice Béjart has shed Brussels and the Ballet of the 20th Century after 27 years and reappeared as Béjart Ballet Lausanne. But the company of 59 dancers that has just opened a five-week run at the Palais des Congrès is composed by some three-quarters of performers who followed their charismatic *maître* to the shores of Lake Geneva, so the change has been mostly geographical and administrative.

So it should not be too surprising then that the first of two programs scheduled for this Paris season was something less than the resounding opening gun of a brave new era. Béjart has always been an immensely prolific choreographer and theatrical manipulator, not the kind to wait for inspiration to arrive by the front door; and when it doesn't he looks for it among whatever bits and pieces might be lying around — some notes on things past, an idea or two about some future project, a couple of postcards from his last trip. So this program entirely of new pieces, while it had its good moments, was a distinctly scrappy affair.

"Souvenir de Leningrad" was the major item on the bill of fare. Something between a *pièce de résistance* and a *pièce d'occasion*, it gives Béjart a chance to put together the kind of grand potpourri that is one of his trademarks of his career, with elements ranging from recent events to political and balletic history to random reflections.

BÉJART and his company were in Leningrad last June for a "White Lights" festival program with the Kirov Ballet (which was televised in the West, as well). It so happened that, aside from the exhilaration of getting a royal reception in Leningrad, it was also while he was there that Béjart's dispute with the Théâtre de la Monnaie in Brussels came to a head. So the French choreographer who had arrived in the Soviet Union as a "Belgian," left as a "Swiss," so to speak.

Then there is the thought that Béjart, born in Marseille and a man of the dance, was in the city where a century ago Marius Petipa, also born in Marseille and briefly a performer in Brussels, was the czar of ballet in St. Petersburg. Then there is Leningrad/St. Petersburg itself, the city of Peter the Great, the city of Lenin and the cradle of revolution. All that and much more.

A curtain representing ocean waves goes up to show a ferociously unsmashed Peter the Great (Maurice Courchay) announcing his intention to found a city on the sea. Soon appears an even more ferocious Lenin



A scene from Béjart's "Souvenir de Leningrad."

(Gil Roman), masked and gloved in red, and their aggressive pas de deux is interrupted by the arrival of a ballerina and her prince and cavaliers dancing bleeding bits of Petipa's grand pas from "The Nutcracker." Once the sea curtain goes up, Giorgio Cristini's set is little more than a couple of gray walls that slide apart to reveal a huge scowling bust of Lenin, but nothing to suggest the architectural grandeur of the city.

The whole thing is less a narrative than a succession of images, some of them quite banal — at one point, Peter the Great pushes on a wagon marked "St. Petersburg," so of course Lenin grabs it, turns it around to the side marked "Leningrad" and pushes it off in the other direction.

A character of bright-eyed innocence named Blim (Xavier Frela) appears (an alter ego for Béjart that the choreographer invented for his "Galté Parisienne"), and Blim

gets a dancing lesson from the elegant Petipa (Michel Gascard). He also acts as the go-between in the cross-stage correspondence between Tchaikovsky and Countess Nadezhda von Meck, the patroness he never met. The composer gets a fair shake in the character department than most; his person is portrayed by Marc Hwang, the music by Jorge Donn (still the company's strongest, most lyrical male dancer), and his sexual ambiguity and the murky story of his death are at least alluded to.

There are also a wide variety of folkloric characters: women dressed as Russian dolls, a poet, soldiers, a pope brandishing an icon, the People, in short, Lyne Charles as a young dancer has a chance to show her elegant style, but her dramatic function was unclear. Several "modern" dancers seemed to be there to show off the brightly colored tights by Gianni Versace, which may have been meant as a tribute to Soviet Constructivism of the '20s, but looked more like Paris chic of the '80s.

The sound track is similarly heterogeneous. Lots of Tchaikovsky, of course, mostly "Nutcracker" and the "Pathétique," alongside the pop group The Residents, voices barking Russian phrase-book excerpts and revolutionary slogans, even canned applause.

The curtain comes down on Czar Peter and Lenin dancing with their arms around each other. Is it a reconciliation or a dance of death, or both? The whole show is clearly meant to be one of Béjart's grand frescos, and it is not without humor and the occasional striking image, but its "history" is as young dancer has a chance to show her elegant style, but her dramatic function was unclear. Several "modern" dancers seemed to be there to show off the brightly colored tights by Gianni Versace, which may have been meant as a tribute to Soviet Constructivism of the '20s, but looked more like Paris chic of the '80s.

The show opened with a "Fiche Signaletique," meant as nothing more than a calling card of the Lausanne company. One by one the dancers bounce or glide from the wings onto the stage, sign their names on one of two blackboards, then all pose as if for a family portrait. The meat of the program before intermission was in three *pas de deux*.

The best was "... et Valse," which is conceived as a kind of sequel to Béjart's "Bolero," in which a male dancer performs on top of a table for a gaggle of onlookers in sort of cabaret. Musically it begins with the final phrases of Ravel's "Bolero" and after a short silence begins the same composer's "La Valse." The dive is empty except for the dancer (Jorge Donn) in supine exhaustion on the table top. Another character enters (Kevin Haigen), the dancer gets his breath back, and the two do a *pas*

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WASHINGTON

English Drawings and Watercolors



Recent important donations and acquisitions in the National Gallery's permanent collection are included in "English Drawings and Watercolors 1630-1850," a show that highlights a period generally overlooked in collections outside the British Isles. It opens with the hush drawing of the edge of a forest by Van Dyck shown here, and includes the earliest known self-portrait by Peter Lely; there are landscapes by Gainsborough, Constable, Blake and Turner. Through March 13, in the West Building of the National Gallery.

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WEEKEND

New Béjart

Continued from page 7



Maurice Béjart.

de deux to Ravel's musical portrait of decadence. Who is the second dancer—a rival, a death figure? In any case the dance is powerfully athletic and full of erotic tension. Although "Boléro" and the oew work each stand alone, they would also make a powerful pairing. In "Prélude," Béjart confronts not only another celebrated piece of French music, Debussy's "Prélude à l'après-midi d'un Faune," but the ballets it has inspired, and in particular the classic by Jerome Robbins. As with Robbins, it is an encounter between two self-preoccupied dancers (Serge Compardon and Jania Batista) in a rehearsal room, with the proscenium as an imaginary mirror. Instead of the chaste eroticism of Robbins's brief encounter, Béjart is joky; the ballerina tries to attract the boy's attention by dropping her ballet shoe, but it turns out that the boy is attracted more by shoes than by girls. "Cantique," with Grazia Galante and Gil Roman as a betrothed young Jewish couple moving around each other in solemn, vaguely ritualistic circles, was presented as a sketch for a full-length "Dybbuk" ballet the choreographer is working on for presentation later this year in Jerusalem. At certain performances, one or another of these pas de deux is replaced by "Méphisto-Walzer" or "Duo," both by Béjart. A second program begins Feb. 10, with Patrick Beida's "Jeux," followed by two Béjart classics—Stravinsky's "Le Sacre du Printemps" and Boulez's "Le Marteau sans Maître," and something new titled "Patricia Chéreau (Become Dancer) Stages the Meeting of Mishima and Eva Peron."

Surprise! These Pictures Are Worth 2,000 Words

by John Gross

NEW YORK — Words, words, words, said Hamlet, when Polonius asked him what was in the book he was reading. But sometimes books contain pictures, too, and sometimes the pictures revolve or jiggle around or spring to attention.

Could Shakespeare have read a pop-up book? In principle, yes. In 1570, six years after he was born, a London publisher brought out a new edition of the "Elements of Euclid." Open it at the appropriate place in the section on solid geometry, and some little three-dimensional pyramids jump up from the page.

The Euclid is one of 90 items assembled in "Surprise! Pop-Up and Movable Books," an exhibition at the Cooper-Hewitt Museum, 2 East 91st St., New York, through Feb. 21. It isn't the oldest book in the show either. There are astronomical works published in Basel in 1536 and in Antwerp in 1540, and a calendar indicating the movements of the moon published in Venice as early as 1476. All three convey information by means of rotating disks.

The exhibition also includes some later examples of textbooks making use of movable parts or pop-up techniques. A 17th-century French manual on perspective features a tiny vertical tabular consisting of painter, subject and canvas; a German publisher, circa 1910, offers aspiring Red Barons an elaborate "Modell eines Aeroplans der Bruder Wright." And in the past few years there has been something of a revival of the genre. The artwork and the many-layered models for Jonathan Miller's recent ventures into popular biology, "The Facts of Life" and "The Human Body," are among the most spectacular items on show.

YET there are obvious disadvantages in using pop-ups to teach any but the simplest lessons. They are relatively fragile, and expensive to produce (the parts have to be glued together by hand); and their most ostensible function, which can be studied in detail at the Cooper-Hewitt, has been to serve as toys.

Children's books with movable flaps, known as "turn ups," began to be produced in the late 18th century. There aren't any examples in the exhibition, but there is what must surely be one of the earliest surviving children's pop-up books—a Little Red Riding Hood, published in England around 1850. It is a primitive affair, executed in a crude broadsheet style, and tinted with vio-

lent greens and reds; but when it was new it probably gave the children it was meant for as much pleasure as any of the far more sophisticated productions of a later day.

The technical progress that the design and manufacture of children's books made in the second half of the 19th century can be taken in at a glance in the Red Riding Hood display case. It also contains a version of the story published in New York in the 1880s, representing an intermediate stage of evolution, and a version produced by the Nuremberg firm of Ernest Nister around 1900 that shows the art of the pop-up book in its full turn-of-the-century luxuriance.

Other displays are even more enterprising in their grouping together of material. A good deal of thought has gone into the show, and there are some adroit juxtapositions of subjects and themes.

In one section, for example, an album of designs for the grounds of the Prince Regent's pavilion at Brighton, published in 1808 by the English landscape gardener Humphrey Repton, stands open at superimposed views of trees in summer and winter. Alongside it is an elegant pop-up illustration from Edward Gorey's tale "The Dwindling Party"—a small boy staring out of a Victorian gazebo or summerhouse, unaware that there is a strange beast (just pull the tab) lurking in the clump of trees behind him.

But for the most part, the exhibition proceeds chronologically rather than by themes, and it reaches its climax with the work of the Munich-based designer Lothar Meggendorfer.

MEGGENDORFER, who flourished between 1890 and 1910, created in some intricate pop-up designs (a circus consisting of six separate panels, for instance). He was chiefly famous, however, as the maestro of the movable book, responsible for prodigies of "paper engineering."

The examples of his work on display include a group of soldiers vaulting in a gym, a barbershop, a fiddler, a traveler oblivious of the crocodile that has crept up on him. His style is vigorous enough, in a broad comic fashion; yet one has to wonder why there had been so much fuss about him.

The answer becomes clear as you look at the video at the Cooper-Hewitt, which shows a dozen or so scenes from his books in action. A puppeteer as well as a graphic artist, he was a master of coordinated movement. It makes all the difference that his creatures change expression as well as position, and nothing about them, as they lie inert in



Lothar Meggendorfer's "Dancing Master" in action, from a 1985 facsimile, as shown in "The Genius of Lothar Meggendorfer," published by Random House. The original is in the Cooper-Hewitt show.

display cases, prepares you for the manic determination with which they go through their routines.

Meggendorfer's contemporary, Ernest Nister, concentrated on static pop-ups—conventional scenes (building a snowman, playing blind man's bluff) whose appeal lay in their realism, their sturdiness, the generous use of space to give them depth. The work of most of his successors looks flimsy in comparison.

After 1910, if the exhibition is any guide, there seems to have been a lull in the development of pop-up ideas, with a renewal of activity in the 1930s. The actual term "pop-up" was coined in 1933. The New York publisher who devised it and registered it as a trademark brought out a Disney pop-up

the same year, and the most characteristic products of the decade—those on display, at least—reflect the influence of comic books and movies.

There has been another resurgence in the 1980s. Almost all the exhibits from current or recent children's books are well produced, at the very least, and the best of them are genuinely imaginative: the dreamlike colored spiral reaching for the stars in Michael Foreman's "Ben's Boy," for example, and the stylized crocodile's jaws jutting out from Jan Pienkowski's "Dinner Time."

By contrast, most of the avant-garde pop-up artists who have begun to make their appearance since the 1960s, with their "poemobiles" and geometrical abstractions and echoes of Kurt Schwitters, strike me as fairly

uninspired— and the can of tomato paste that pops up among the arty photographs in "Andy Warhol's Index Book" has none of the unpretentious charm of the can of spic which can walk round in a 1981 pop-up "Popeye." But no doubt the form has serious possibilities that have yet to be realized.

Meanwhile pop-ups in general still cast their spell. Movable books, on the other hand, are much less in evidence than they used to be. Perhaps they look rather tame after television. But the "surprise" surprise of a picture suddenly rising up, as if by magic, is plainly something that touches a deep responsive nerve, and it has lost none of its appeal.

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AUSTRIA

VIENNA: •Kunsterhaus (tel: 587.96.63). — To June 12: The Biedermeier era: a wide-ranging exhibition devoted to Viennese culture 1815-1848, with exhibits illustrating the arts, design and the social and political order of the period.

•Museum of the 20th Century, (tel: 78.25.50). — To Jan. 26: "Expressiv: Central European Art Since 1960." Works by 30 artists from Austria, Czechoslovakia, Hungary, Poland and Yugoslavia.

BRUSSELS: •Musées Royaux d'Art et d'Histoire (tel: 733.96.10).

— To Apr. 17: Treasures from Ancient Mexico, displays over 300 objects in gold, pottery and stone and is centered around discoveries of the late '70s. National collections in Mexico and 21 museums in Europe and the U.S. have loaned objects for this touring exhibition.

INTERNATIONAL ARTS GUIDE

ENGLAND LONDON: •Barbican Centre (tel: 638.41.41). — To Feb. 7: The Edwardian Era: British art and society under the reign of Edward VII (1901-1910) examined in 1,000 exhibits

including painting and sculpture, examples of the technology of the period, political posters, cinema and photo-journalism. •Christie's (tel: 839.90.60). — To Jan. 24: The Painters of Camden Town, 1905-1920. Over 200 works chart the history of the Camden Town Postimpressionist

Royal Academy of Arts (tel: 734.90.52). — To Mar. 6: The Age of Chivalry: Art in Plantagenet England 1200-1400. The largest exhibition ever held of English Gothic art; 600 works, including royal jewels, illuminated manuscripts, embroideries, and stained glass. •Tate Gallery (tel: 821.13.13). — To Jan. 31: Beatrix Potter: over 400 illustrations and paintings by the author.

Royal Horticultural Society's Old Hall (tel: 834.43.33). — To Feb. 20: Nine 2,000-year-old terra cotta soldiers and other artifacts discovered in Xian, central China, in 1974. •Whitechapel Art Gallery (tel: 377.01.07). — To Feb. 21: Fernand Léger: The Later Years. 50 paintings and 50 drawings and watercolors. •Victoria and Albert Museum (tel: 589.63.71). — To Feb. 1: 100 photographs of Britain's royal family by Cecil Beaton taken between 1939-1970. — To Feb. 7: The Art of the Shoe, 1927-1960. 200 items of footwear by the Italian designer Salvatore Ferragamo (1898-1960).

MUSEE Jacquemart-André (tel: 42.89.04.91). — To Feb. 25: André Kertész (1894-1985): 300 photographs of Paris of the 20s and 30s, the photographer's native Hungary and portraits done in the U.S. FLORENCE: •Galleria degli Uffizi (tel: 21.83.41). — To April: The recently acquired Batelli collection, a survey of 19th century drawing in Tuscany comprises 170 works. ROME: •Galleria Nazionale d'Arte Moderna (tel: 80.27.51). — From Jan. 26: Van Gogh works—40 paintings and 40 drawings—on loan from Dutch collections.

Send a Trib Valentine message plus a beautiful bouquet to the person of your choice anywhere in the world. Make Valentine's Day special for someone in your life—wherever he or she may be. This year, the Trib has decided to use its unique world-wide circulation to play cupid in 164 countries! On February 12th, we'll be printing a special collection of Valentine messages. And because the International Herald Tribune is one of the most romantic names in publishing, it's a perfect place to say you care. Simply send us your message by Tuesday February 5th. Then we will send a greeting card to that special person, telling them to look for your message in the paper on February 12th. And we promise not to spoil the surprise by mentioning your name. But that's not all! We will also arrange, with the help of Interflora, for a beautiful bouquet to be sent to that same person with the message of your choice. The International Herald Tribune Valentine Special. It's a nice way to make someone smile.

GERMANY

KARLSRUHE: •Landesmuseum (tel: 135.65.14). — To Feb. 28: 550 Art Deco Pieces, 1880-1915: includes glass, metal, wood, ceramic and textile works; Galle, Tiffany, Van de Velde, Behrens are represented. MUNICH: •Kunsthalle der Hypo-Kultur-Stiftung. — To Feb. 14: Rene Magritte (1898-1967): Retrospective of 140 works by the Belgian artist, a version of the exhibition already seen in Lausanne. •Neue Pinakothek (tel: 23.80.50). — To Feb. 21: Hans von Marées (1837-1887), painting and graphic works; displays 139 works and is the centerpiece of three exhibitions commemorating the centenary of the painter's death. •Haus der Kunst (tel: 22.26.51). — To Jan. 31: "Entartete Kunst"; examines the 1937 exhibition of art termed "degenerate" and purged by the Nazis from German museums; many works from the original exhibition are included.

STUTTGART: •Staatsgalerie (tel: 212.50.50). — Jan. 27-Mar. 20: Alberto Giacometti: a retrospective of drawings, sculptures and paintings, nearly 300 works in all, already seen at the Nationalgalerie in Berlin. •Württembergischer Kunstverein. — To Feb. 7: A major retrospective—98 oils, 145 watercolors and drawings, 66 prints—of German Expressionist artist Emil Nolde (1867-1956).

FRANCE

PARIS: •Centre Georges Pompidou (tel: 42.77.12.33). — To Jan. 24: Lucian Freud: A retrospective of 80 paintings by the British realist artist. •Grand Palais (tel: 42.61.54.10). — To Apr. 11: Francisco de Zurbarán (1598-1664): a retrospective of the 17th century Spanish painter already seen at the Met in New York. 70 works from Spanish, U.S. and other collections. — To Feb. 15: Treasures of Celtic Princes: objects from 20 of the best known Celtic burial sites excavated since 1950 in many parts of western Europe.

•Louvre des Antiquaires (tel: 42.97.27.00). — To Apr. 3: A selection of watches, clocks and other items from the collection of the museum of timepieces, the Musée International d'Horlogerie, at La Chaux-de-Fonds, Switzerland. •Musée des Arts Décoratifs (tel: 42.60.32.14). — To Jan. 31: A King's Table: 400 examples of 18th century silver-smiths' art from the royal Danish collection. •Palais de Chaillot (45.53.70.60). — To Jan. 31: Ancient Peru, Life, Power and Death: 600 artifacts from ancient Peru and the Inca empire.

•Musée Delacroix (tel: 43.54.04.87). — To Feb. 2: A selection of Delacroix's drawings, watercolors and notes from the artist's tour of Morocco in 1832. •Musée d'Art Moderne (tel: 47.23.61.27). — To Feb. 14: Modernidade: 160 works by 70 contemporary Brazilian artists. •Musée de la Galerie de la Seita (45.55.91.50). — To Feb. 27: Watercolors and drawings of early 19th century Brazil by French artist Jean-Baptiste Debret.

SPAIN

MADRID: •Real Academia de Bellas Artes (tel: 232.15.43). — To Feb. 28: Selections from the Thyssen-Bornemisza collection of Old Masters at the Villa Favorita, Lugano; Goya, El Greco, Holbein, Rubens, Jan Steen are represented in the 100 works on view.

SWITZERLAND

GENEVA: •Musée Rath (tel: 28.56.16). — To Jan. 31: Art, photographs and documents from the Paris art review Minotaure (1933-39) by artists including André Masson, Cézanne, Picasso, Dalí, Tanguy, Max Ernst, Magritte, Man Ray, Braque, Matisse. MARTIGNY: •Fondation Pierre Gianadda (tel: 2.39.78). — To March 20: Paul Dehauvaux: a major retrospective of paintings, drawings and engravings by Dehauvaux, now 90—covers all periods of his career. ZÜRICH: •Kunsthaus (tel: 251.67.65). — To Feb. 14: A retrospective of the painting of Norwegian artist Edvard Munch (1863-1944) features 115 works.

DOONESBURY

YOU HAVE A REMARKABLE OPPORTUNITY HERE, SAL. DON'T LET IT SLIP AWAY... YOU'LL BE REPORTING DIRECTLY TO ME ON THIS BEAUTIFUL PROJECT. I WANT YOU TO DEPART YOU PERSONALLY EVERY MONDAY MORNING. ONE MORE THING, JUST BECAUSE I'M NOW RUNNING A COMPANY THAT MANUFACTURES UNRELIABLES, DON'T JUMP TO ANY CONCLUSIONS ABOUT ME IF YOU KNOW WHAT I MEAN. NO, MAYAM, WHAT DO YOU MEAN? THIS IS CRAZY, ENOUGH TO BE YOUR SLIGHTLY OLDER SISTER!

Feting Mi of Capetia by Trish Valicenti. P... Molly Ringwald, Cher. A film like this could always be expected to be made. But "Overboard" is special in a note that has been suppressed of our time. The husband turns out to be an obnoxious twit, and hence he is a waste of space. The adoring carpenter who saves the wife, having rearranged the furniture and taught her the joys of family

Vol.	High	Low	Last	Chg.
CalGas	41.76	41.76	41.76	+
IBM	107.11	107.11	107.11	+
Merck	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+

NYSE 4 p.m. volume	1,289,000
NYSE prev. close	2,072,000
Amex 4 p.m. volume	1,010,000
Amex prev. close	1,010,000
OTC 4 p.m. volume	1,254,000
OTC prev. close	1,254,000
NYSE volume up	1,254,000
NYSE volume down	1,254,000
OTC volume up	1,254,000
OTC volume down	1,254,000

High	Low	Close	Chg.
Composite	157.40	158.99	+1.59
Industrial	143.77	145.27	+1.50
Utilities	119.77	119.77	0.00
Transport	49.52	49.52	0.00
Finance	114.20	115.29	+1.09

Thursday's NYSE Closing
Via The Associated Press

Close	Prev.
Advanced	28.00
Declined	28.00
Unchanged	28.00
Total Issues	28.00
New Lists	28.00

Close	Chg.	Week	Year
Composite	+0.17	+0.17	+0.17
Industrial	+0.17	+0.17	+0.17
Finance	+0.17	+0.17	+0.17
Utilities	+0.17	+0.17	+0.17
Transport	+0.17	+0.17	+0.17

Vol.	High	Low	Last	Chg.
NY Time	10.00	10.00	10.00	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+
Amgen	47.11	47.11	47.11	+

Class	Chg.
Bonds	+0.02
Utilities	+0.02
Industrials	+0.02

Class	Prev.
Advanced	28.00
Declined	28.00
Unchanged	28.00
Total Issues	28.00
New Lists	28.00

Buy	Sales	Chg.
Jan. 19	41,453	1,286
Jan. 18	29,941	3,914
Jan. 17	31,924	4,999
Jan. 16	30,748	2,447
Jan. 15	28,427	1,377

Open	High	Low	Last	Chg.
Index	1592.41	1603.34	1585.99	+1.59
7 years	242.37	242.77	242.77	0.00
Comp. 2	725.4	725.4	725.4	0.00

High	Low	Close	Chg.
Industrials	187.21	187.21	+1.04
Utilities	102.24	102.24	+0.04
Finance	242.18	242.18	+0.18
Transport	49.52	49.52	0.00
SP 100	221.74	221.74	+1.23

Class	Prev.
Advanced	28.00
Declined	28.00
Unchanged	28.00
Total Issues	28.00
New Lists	28.00

High	Low	Close	Chg.
Index	245.1	245.1	+2.3

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Stocks Post Slight Gains

NEW YORK — Prices on the New York Stock Exchange closed fractionally higher Thursday in moderate, choppy trading that slowed considerably as the day wore on.

The Dow Jones industrial average, which had fallen 57.20 Wednesday, rose 0.17 to 1,579.31. Advances led declines narrowly.

Volume was about 158.4 million shares, compared with 181.7 million traded Wednesday.

Prices were slightly lower in moderate trading on the American Stock Exchange.

The drop on Wednesday "scared a few people away," said Rodd Anderson, vice president in equity trading at Shearson Lehman Brothers Inc. "We have not seen much program activity today and institutional interest has been pretty light."

Mr. Anderson said the market was disturbed by the Commerce Department report Wednesday showing housing starts off 16.2 percent in December and the report on Tuesday that Japan's trade surplus had widened last month.

"Some people are starting to worry about a recession," Mr. Anderson said, and investors "have become a tad defensive. The market needs some consistency" to recover from the October plunge and the 140-point setback on Jan. 8.

"Lower interest rates will help stocks," Mr. Anderson said. "As far as the psychology, a month or two of days like today when there's not a lot to talk about will help. The volatility has a lot of people concerned."

"The market is facing a little bit of a test here," said Joseph Barbel, director of technical strategy at Butcher & Singer Inc. "Since the

low of Oct. 19, this market has had a number of sell-offs that created an orderly uptrend. This comes right around 1,850-1,870, which we bounced off today."

Mr. Barbel said the market might be earning a move back toward the 1,950-2,000 level, which could be completed by the first week in February.

He noted that many of his colleagues on Wall Street were "talking about a negative environment for equity ownership." But investor surveys, he said, "do not indicate a lot of pessimism. People are talking about a lot of nervousness, but they are not reacting in the same sense."

The market opened after receiving news of a mixed outlook on the burdensome trade deficit from the U.S. trade representative, Clayton K. Yeutter.

Mr. Yeutter said a gradual rise in U.S. exports in the past 18 months indicated that the United States is making a turnaround in trade. Technology-related stocks generally rebounded as some of the less pessimistic investors sought bargains in the sector.

International Business Machines, the subject of a \$6 sell-off on Tuesday when investors concluded that its earnings gains did not meet their estimates, rose 3/4 to 111.

Digital Equipment scored a 3/4 point gain to 118 1/2 and Compaq gained 1/4 to 47.

In the semiconductor, Motorola, another stock besieged by sellers disappointed with earnings gains, closed unchanged at 40 1/2 after losing more than \$4 on Wednesday.

The stock of Johnson & Johnson rose 3/4 to 74 1/2.

(UPI, Reuters)

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
174	174	AAR	0.00	174	174	174	+
174	174	AGN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+
174	174	AMN	0.00	174	174	174	+

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FUJITSU

WALL STREET

Secret Spy Plans

Lockheed

RANDOLPH

INTEREST RATES

CURRENCY

JPMorgan

(Continued on next left-hand page)

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FRIDAY, JANUARY 22, 1988

WALL STREET WATCH

Secret Spy Plane Project Clouds Lockheed Outlook

By ANDREA ADELSON

LOS ANGELES — The price of Lockheed Corp.'s stock has been depressed for some time by concerns about military spending cuts and increasing pressure on contractors to share costs of developing new military hardware.

Now there is new uncertainty for investors in Lockheed, which some analysts believe is building a new high-flying, lightning-fast spy plane that will be designed to evade enemy radar and infrared sensors.

Increasingly, technical leaps can mean financial risks.

Supposedly, a new contract could not arrive at a better time for Lockheed. With the completion of a prototype advanced tactical fighter, the company's largest contract, including the C-5B and C-130 transport planes, along with the submarine-hunting P-3 Orion, are scheduled to be completed by 1992.

Lockheed's stock reached a high for the year of \$61.50 a share last August. It touched bottom on Oct. 20 at \$28.75 and has risen since, closing Wednesday at \$36 on the New York Stock Exchange.

Lockheed's stock lagged behind the market in 1987, declining 31.4 percent, compared with a 2.26 percent increase in the Dow Jones industrial average.

Investors will be little cheered by prospects for a new Stealth spy plane, at least initially. Details about the reconnaissance jet, like the two other Stealth projects, are classified, hidden in the Defense Department's "black budget."

WALL STREET analysts say they must rely on educated guesses when evaluating the profit potential of such projects. Guesswork has become increasingly important as the level of secret spending in the military budget has soared from \$5 billion in 1984 to \$22 billion in 1988-89, an estimate made by the Center for Defense Information, a military research organization in Washington.

In Lockheed's case, an estimated 40 percent of its revenues comes from secret work, which includes space and Strategic Defense Initiative programs, said Howard A. Rubel, an analyst at Cyrus J. Lawrence Inc. in New York.

Analysts believe Lockheed is the logical recipient of the new Stealth spy plane because it has been widely reported to have built the F-19 Stealth fighter at Burbank, home of the secret "Skunk Works." Indirect evidence comes from a stable 13,000-person payroll in Burbank, even as aircraft orders are declining, and a continuing high level of capital spending.

Investors who concentrate on military contractors with fewer classified projects may have an easier task projecting a company's revenues, said Michael H. Carstens, an analyst with Tucker, Anthony & R.L. Day in New York.

Besides technical four-ups, another risk investors must consider is a profit squeeze on contractors as a cost-conscious Pentagon forces suppliers to absorb more research and development costs.

GM Sells Parts to Beijing

\$20 Million Pact To Make Engines

By Daniel Southerland

Washington Post Service

BEIJING — In a move it hopes will lead to a major joint venture, General Motors Corp. signed agreements Thursday to sell China \$20 million worth of equipment and technology for the manufacture of a GM automobile engine.

Barton Brown, president of General Motors Overseas Corp., said that if it succeeds on technology and parts are successful, GM will participate at a later stage in the joint production of motor vehicles in China.

He said the agreements marked the first step in a long-term plan to participate in the modernization of China's undeveloped automotive industry, which has been plagued by inefficiency for decades.

Under Thursday's accord, China will purchase technology allowing the production of a GM two-liter engine. It is the first Chinese venture that is focused solely on producing components for its existing automaking enterprises.

The first phase of the new plan also is expected to include a joint venture for a modern foundry to support the GM engine program, and additional projects to make axles, starter motors, distributors and alternators, Mr. Brown said at a news conference.

The second phase, Mr. Brown said, would include additional manufacturing ventures leading to the production of motor vehicles for sale in China.

GM subsidiaries have signed agreements with China in the past, including one accord for the manufacture of heavy transmissions.

But Thursday's pact signaled a much bigger commitment by the No. 1 U.S. automaker to exploring the potentially vast Chinese car market.

Chen Zhaoh, chairman of China National Automotive Industry Corp., said China saw the GM agreement as a step toward ending its dependency on imported cars.

See CHINA, Page 13



Carlo de Benedetti sees many ways to expand his empire through Société Générale de Belgique.

As 2 Courts Conflict, Belgian Giant And de Benedetti Dig In Their Heels

New York Times Service

BRUSSELS — Both sides in the battle over Société Générale de Belgique seem determined to keep fighting — the company by increasing the number of its shares outstanding, and Carlo de Benedetti by annulling the new issue and pressing his bid for old shares.

Générale de Belgique, which has holdings in nearly half of Belgium's 50 biggest companies, is resisting an attempt by the Italian financier to enlarge his stake from 18.6 percent. It disclosed Wednesday that it had proceeded with its plan to issue at least 12 million shares of new stock to friendly buyers.

Générale de Belgique had been prohibited from issuing the shares Tuesday by the Brussels Commercial Court. The court said the company decided to issue the stock after it received word of Mr. de Benedetti's offer. Such timing is illegal in Belgium.

But Générale de Belgique said it authorized, issued and sold at least \$1.2 billion worth of new stock between Sunday afternoon and Monday evening, before the court's ruling.

According to market sources, about 12 million shares were sold. That would amount to an increase of nearly 50 percent in Générale de Belgique's capitalization, diluting Mr. de Benedetti's stake to less than 13 percent.

"The greatest part of the new capitalization has been placed and the money is already in our safes," said Luc Van de Vijver, a spokesman for Générale de Belgique.

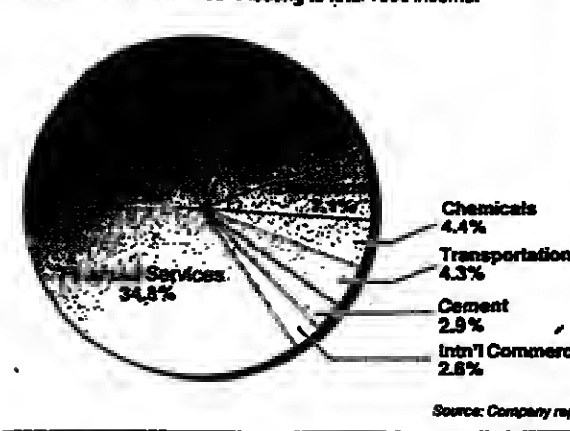
On Thursday, trading in the company's stock was halted for the fourth straight day by the Brussels stock exchange. Dealing in the shares originally was halted Monday after Mr. de Benedetti said he planned to acquire a stake of more than 33 percent.

He later reduced his target to 25 percent. But such a holding still would give him effective control of Générale de Belgique, which has ties to more than 1,200 widely scattered enterprises and assets estimated at about \$2.8 billion.

René Lamy, chairman of Générale de Belgique, said earlier this

What Société Générale de Belgique Does

Breakdown of sectors contributing to total 1986 income.



The New York Times

Holmes à Court To Lower BHP Stake to 10%

Compiled by Our Staff From Dispatches

MELBOURNE — Broken Hill Pty. announced Thursday that it would pay 2.68 billion Australian dollars (\$1.91 billion) in cash to sharply reduce the role of Robert Holmes à Court and another big stockholder in the company, Australia's largest.

BHP has long wanted to curb the influence of Mr. Holmes à Court, who sought control of BHP for a decade and who is its main shareholder, and of Elders DXL Ltd., the second largest shareholder.

Its chance came after October's market collapse, which hurt the share prices of Mr. Holmes à Court's Bell Group Ltd. and of Elders, led by John D. Elliott.

Holmes à Court companies are selling 2 billion dollars in assets to raise cash, including a substantial bloc of shares in Texaco Inc. that has been sold to Carl C. Icahn.

BHP said it had signed an accord Thursday with Bell Resources Ltd., another Holmes à Court company, and Elders for a restructuring.

Bell Resources' 30 percent interest in BHP would drop to 10 percent and BHP would form a joint venture with Elders to hold Elders' 18.9 percent stake in BHP.

Mr. Holmes à Court, who is Bell's chairman, and Mr. Elliott, Elders' executive chairman, had agreed to resign from the BHP board, BHP said.

The oil, steel and mining giant, which had net profit of 478 million dollars on sales of 4.85 billion in the first half of its current year, said the agreement would end a situation in which two shareholders could have controlled BHP without making a takeover.

BHP said it initiated talks with Elders and Bell after the October slump. BHP said it was concerned at the effect any dispersal by big shareholders would have on the market for BHP shares.

BHP said it would pay Bell 2.1 billion dollars for 300 million BHP shares that would then be canceled. BHP would invest 575 million dollars in the joint company to hold the Elders stake in BHP. Elders would put up an identical amount. BHP would also sell its 200 million Elders shares, a stake of almost



Robert Holmes à Court

13 percent, for 3.50 dollars each to a buyer approved by Elders. Elders said the deal would give it an immediate cash release of about 1.6 billion dollars.

BHP said it would sell at least 1 billion dollars worth of nonstrategic assets and investments to help fund the deal and "maintain borrowings at acceptable levels."

An Australian equity analyst with James Capel & Co., the London brokerage, was dubious about the impact on BHP.

The analyst, Robin Storer, said, "BHP is getting rid of unwanted shareholders at a price that one can question whether the company can afford. It is taking a lot of debt on board to buy out Holmes à Court."

But for Bell Resources, Mr. Storer said, it was a good move that would "wipe out the company's 1.7 billion dollar debt and leave it with more than 400 million in cash."

BHP's statement said the restructuring "will provide BHP with a broader shareholder base and a new foundation for improved returns." Analysts said the cancellation of Bell shares would improve per-share earnings for other stockholders.

Mr. Elliott bought into BHP in a one-day, 1.7 billion dollar raid in 1986 that thwarted Mr. Holmes à Court's bid for control but left BHP poised between two companies.

(Reuters, IHT, AFP)

Bundesbank Shifts Basis For Money Supply Goal

By Ferdinand Protzman

International Herald Tribune

FRANKFURT — The policy-setting Bundesbank council established on Thursday a target of 3 percent to 6 percent growth in the money supply for 1988.

And in a move designed to limit statistical distortion, the Bundesbank will apply that range to the broad M-3 money supply rather than a narrower measure, the central bank money supply, which has traditionally been used as the Bundesbank's yardstick for monetary growth.

The central bank council consists of the Bundesbank's six-member directorate and the heads of the 11 state central banks.

The Bundesbank president, Karl Otto Pöhl, said Thursday that the council had approved his participation in a proposed French-West German economic advisory panel, provided that his involvement does not violate the laws protecting the central bank's autonomy.

Mr. Pöhl said "my participation has been agreed to" but he noted that there had not been time for a complete review of the legal implications of the contracts that will be the basis for the proposed French-German council.

Economics Minister Martin Bangemann welcomed the shift in the Bundesbank's primary monetary measure from the traditional central bank money supply — consisting of cash in circulation and banks' minimum reserve deposits with the Bundesbank on domestic liabilities — to the broad M-3 monetary aggregate.

M-3 consists of sight, time and savings deposits, as well as cash in circulation.

"This is mainly a technical change," Mr. Pöhl said. "Statistics show, in the long view, that the two measures of development were roughly parallel. The weight of cash in circulation in the central bank money supply perhaps overstated the tempo of growth."

Mr. Pöhl said the change would bring money supply growth back into its target range. In November, the most recent month for which M-3 data are available, it registered a 5.89 percent increase from a year earlier, Bundesbank statistics show.

Money supply grew well above target in 1987 and 1986, a development Mr. Pöhl said was unavoidable because of massive inflows of capital from abroad. The influx was created in part by the Bundesbank's interventions in the foreign exchange market to support the U.S. dollar and currencies of the European Monetary System.

In 1987, the central bank money supply grew 8 percent, well above the Bundesbank's target range of 3 to 6 percent. In 1986, when the target range was 3.5 to 5.5 percent, it expanded 7.7 percent.

Despite the above-target growth, West Germany did not experience a dramatic surge in inflation.

West Germany's inflation rate fell from 3.3 percent in 1983 to 0.2 percent in 1987. In 1986, the cost-of-living index fell by 0.2 percent. It is expected to rise 1 percent this year.

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Currency Rates

Table with columns for Country, Currency, Par \$, and various exchange rates for Jan 21.

Chicago in London, Tokyo and Zurich. Rates to other centers. New York closing rates.

Source: Reuters. To buy one pound; C: To buy one dollar; Units of 100; N.G.: not available.

Other Dollar Values

Table with columns for Country, Currency, Par \$, and various exchange rates for Jan 21.

Source: Reuters. To buy one pound; C: To buy one dollar; Units of 100; N.G.: not available.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and various forward rates for Jan 21.

Source: Reuters. To buy one pound; C: To buy one dollar; Units of 100; N.G.: not available.

Interest Rates

Table with columns for Currency, Rate, and various interest rates for Jan 21.

Source: Reuters. To buy one pound; C: To buy one dollar; Units of 100; N.G.: not available.

Key Money Rates Jan 21

Table with columns for Country, Rate, and various money rates for Jan 21.

Yeutter Hints Decision Near On Tariff Aid for 4 in Asia

Compiled by Our Staff From Dispatches

HONG KONG — Clayton K. Yeutter, the U.S. trade representative, said Thursday that the United States may decide in the next few weeks whether to drop or reduce duty-free treatment for Taiwan, South Korea, Hong Kong and Singapore, which regularly ring up trade surpluses with the United States.

Speaking from Washington in a satellite news conference with reporters in Hong Kong and Beijing, Mr. Yeutter also said that the U.S. trade figures were starting to look good but that he did not expect a significant narrowing in the trade deficit until late this year.

He is visiting China and Hong Kong from Jan. 31 to Feb. 5.

Mr. Yeutter said the future of Asia's four so-called trading "biggers" to the Generalized System of Preferences was under discussion in Washington, with a decision due "sometime in the very near future, perhaps in the next few weeks."

Under GSP, the United States gives duty-free treatment to exports from developing nations but reviews their status periodically. Taiwan, South Korea, Hong Kong and Singapore were given preferential tariffs to be able to gain a foothold in the U.S. market, but their success has meant that they have built up huge trade surpluses with the United States.

"Everyone must recognize that if their economic growth is sufficiently impressive and if they become coarsely competitive, GSP treatment at some point in time must disappear," Mr. Yeutter said.

(Reuters, AFP)

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and various money market fund data for Jan 21.

Source: Merrill Lynch, Pierce, Fenner & Smith.

Gold

Table with columns for Location, Price, and various gold prices for Jan 21.

Source: Reuters.

Thursdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of stock prices for NYSE, including columns for High, Low, Open, Close, and Change.

Table of stock prices for NYSE, continuing from the previous table.

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Table of stock prices for NYSE, continuing from the previous table.

U.S. Futures

Via The Associated Press

Table of U.S. Futures prices for Grains, including Wheat, Corn, and Soybean.

Table of U.S. Futures prices for Livestock, including Cattle and Hogs.

Table of U.S. Futures prices for Metals, including Copper, Aluminum, and Zinc.

Table of U.S. Futures prices for Energy, including Oil and Natural Gas.

Table of U.S. Futures prices for Financial, including Bonds and Stocks.

Table of U.S. Futures prices for Currency Options, including various international currencies.

Food

Table of Food futures prices, including Coffee, Cocoa, and Sugar.

Table of Food futures prices, continuing from the previous table.

Table of Food futures prices, continuing from the previous table.

Table of Food futures prices, continuing from the previous table.

Table of Food futures prices, continuing from the previous table.

Table of Food futures prices, continuing from the previous table.

Metals

Table of Metals futures prices, including Copper, Aluminum, and Zinc.

Table of Metals futures prices, continuing from the previous table.

Table of Metals futures prices, continuing from the previous table.

Table of Metals futures prices, continuing from the previous table.

Table of Metals futures prices, continuing from the previous table.

Table of Metals futures prices, continuing from the previous table.

Table of International Futures prices, including Japanese Yen and British Pound.

Table of International Futures prices, continuing from the previous table.

Table of International Futures prices, continuing from the previous table.

Table of International Futures prices, continuing from the previous table.

Table of International Futures prices, continuing from the previous table.

Table of International Futures prices, continuing from the previous table.

Company Results

Revenues and profits in millions, or in local currencies unless otherwise indicated.

Table of Company Results for various firms, including earnings and dividends.

Table of Company Results for various firms, continuing from the previous table.

NYSE High-Lows

Table of NYSE High-Lows for various stocks, including opening and closing prices.

Paris Commodities

Table of Paris Commodities prices, including various agricultural and industrial goods.

S&P 100 Index Options

Table of S&P 100 Index Options prices, including call and put options.

Dividends

Table of Dividends for various companies, including payment dates and amounts.

Spot Commodities

Table of Spot Commodities prices, including various raw materials and goods.

EC Orders France to Cut Aid to Ferry Shipyard

BRUSSELS — The European Community Commission said on Thursday that it had ordered France to cut aid offered to a French shipyard to help it win a contract for a cross-channel ferry.

BAT May Raise Stakes In Bid to Buy Farmers

LOS ANGELES — Just one day after its \$4.2 billion takeover bid for the insurer Farmers Group Inc. was rejected, a subsidiary of British-based BAT Industries Inc. indicated Thursday that it might be willing to raise its offer.

London Metals

ROLLING MEADOWS, Illinois — Gould Inc. said Thursday that it had agreed to sell its Ocean Systems unit in Cleveland to Westinghouse Electric Corp. for \$100 million and would take a fourth-quarter charge of \$115 million from discontinued operations.

London Commodities

ALUMINIUM — Alean Aluminium Ltd. registered a net profit of \$433 million in 1987, 36 percent above the 1986 figure of \$277 million, the company announced.

DM Futures Options

VIENNA — Hannes Androsch offered Thursday to step down as managing director of Creditanstalt-Bankverein AG, Austria's largest bank, a day after he was convicted of giving false testimony to a parliamentary commission, a bank official reported.

U.S. Treasuries

MOODY'S — Moody's announced Thursday that it had raised its outlook for the U.S. economy to "stable" from "downward" in December.

DM Futures Options

VIENNA — Hannes Androsch offered Thursday to step down as managing director of Creditanstalt-Bankverein AG, Austria's largest bank, a day after he was convicted of giving false testimony to a parliamentary commission, a bank official reported.

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BUSINESS ROUNDUP

Acker Replaced as Head of Pan Am

NEW YORK — The board of Pan Am Corp. on Thursday elected Thomas G. Plasket as chairman of the financially troubled airline company to replace C. Edward Acker, whose ouster had been widely expected for several weeks.

Some of the Pan Am unions had reportedly demanded that Mr. Acker be fired in exchange for more than \$330 million in labor concessions that they recently agreed to with management.

Mr. Plasket, 44, a former president and chief executive officer of Continental Airlines and a former executive of American Airlines, will also serve as chairman of Pan Am World Airways Inc., the company's main airline subsidiary.

At Pan Am Corp., he will also hold the positions, besides chairman, of president, chief executive officer and director.

Mr. Plasket is widely credited with creating the popular "Max-Saver" discount air fares.

The board also announced the resignation of Martin R. Shugrue Jr., Pan Am's vice chairman and chief operating officer.

Mr. Shugrue was not directly replaced. A number of other officials also resigned, while others were promoted to new posts in a sweeping organizational change.

U.K. Approves Hostile Elf Bid For Tricentrol

LONDON — The government approved on Thursday a hostile takeover bid by the French state-owned oil company, Societe Nationale Elf-Aquitaine, for a British North Sea oil company, Tricentrol PLC.

The Trade and Industry Department said it would not refer the £134.7 million (\$242 million) offer, made in December, to the Monopolies and Mergers Commission.

Tricentrol's chairman, James G.S. Longcroft, has urged shareholders to reject the offer, saying it was "opportunistic."

Last Friday, Tricentrol said its defense plan would provide for a U.S. financial institution to take at least 20 percent in the company. The new investor, not yet identified, would be passive but friendly to Tricentrol, it said.

Elf, which already has an 8 percent stake in Tricentrol, is offering 145 pence per share for the group. The bid is open until Jan. 26.

On Thursday, Tricentrol shares traded at 163 pence.

Company Results

Table of company results including Alcan Aluminum, Bank of Boston, United States, and others, with columns for Revenue, Profit, and Per Share.

Guinness Cites Possible Liability Of £100 Million

LONDON — A lawyer for the giant British brewer Guinness PLC said Thursday that it might have to pay up to £100 million (\$179.5 million) to former shareholders of Distillers PLC unless it succeeds in overturning a ruling that it violated Britain's takeover code.

It was the first time Guinness has estimated its potential liability under the ruling by British Takeover Panel, David Oliver, the lawyer, told the High Court that Guinness "shouldn't have to pay anything" but that it would not dissent if the court settled on that figure.

His remark was seen as an effort to curb speculation that the payment could be higher.

The brewer has asked the court to overturn a September ruling by the Takeover Panel that the company acted unfairly by indirectly buying shares of Distillers PLC during its successful takeover fight for the gin and whisky maker in 1986.

BofA's Profit Fell in Quarter, Loss Grew for Year

Compiled by Our Staff From Dispatches SAN FRANCISCO — BankAmerica Corp., the troubled bank holding company, reported Thursday that net profit dropped 26.8 percent in the fourth quarter of 1987 to \$60 million.

BankAmerica, which in the second quarter added \$1.1 billion to reserves for problem Third World loans, said that for all of 1987, it had a loss of \$955 million. That compared with a loss of \$518 million in 1986.

Fourth quarter profit was equivalent to 27 cents a share, against 44 cents a share a year earlier.

BankAmerica, parent of Bank of America, also confirmed that it planned to reduce its work force, but it refused to comment on a newspaper report that 3,000 to 5,000 more jobs soon could be slashed. The company has eliminated 16,500 jobs since 1986. It currently employs about 61,500.

BankAmerica, which has \$10 billion in outstanding debt to 47 de-

veloping nations, said its fourth-quarter provision for credit losses was unchanged from the previous quarter at \$137 million.

The Third World debt crisis has hurt earnings of nearly all major U.S. bank holding companies but many did not increase their loan-loss provisions for the quarter.

BankAmerica said its allowance for credit losses as of Dec. 31 stood at \$3.26 billion, or 5.06 percent of total loans outstanding, against \$3.26 billion, or 5 percent of total

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Hoffmann Again Raises Offer for Sterling

NEW YORK — F. Hoffmann-La Roche & Co. has sweetened its hostile offer for Sterling Drug Inc. to \$81 a share, or \$4.62 billion, the Swiss pharmaceutical company said Thursday. It was the second time the offer had been raised.

Hoffmann-La Roche, which announced the new bid for Sterling late Wednesday night, had already raised its tender offer to \$76 a share from its initial \$72 a share for Sterling's 57 million common shares outstanding.

The initial increase came after the Sterling board voted to reject the original offer as inadequate.

sterling said they had no comment on the latest offer.

Industry analysts had expected that Hoffmann-La Roche would have to raise its offer to successfully acquire Sterling.

Sterling, which is based in New York City, has been valued by a number of analysts in the range of \$80 to \$90 a share based on its cash flow.

In rejecting the initial offer, Sterling said it was discussing a possible merger with a third party as an alternative to Hoffmann-La Roche's hostile bid, raising speculation there would be a bidding war that would push Sterling's stock price even higher.

The Swiss company has denied the charges.

Dart Offers \$834 Million For Stop & Shop Stores

NEW YORK — Dart Group Corp. has announced an \$834 million offer for Stop & Shop Cos., a chain of supermarket and discount department stores.

In a letter to Avram J. Goldberg, the chairman and chief executive of Stop & Shop, Dart offered to pay \$20 a share in cash for the company.

Late last year, Dart acquired slightly less than 3 percent of Stop & Shop's shares for about \$15 million. On Jan. 11, it notified the company that it might be interested in further purchases.

Stop & Shop, based in Braintree, Massachusetts, owns about 115 Stop & Shop supermarkets and 165 Bradlees department stores, according to officials at Dart. Most of the stores are in the northeastern United States.

It would be difficult for Dart to buy Stop & Shop without the blessings of its management and board, since Massachusetts has an anti-takeover law and Stop & Shop has adopted "poison pill" provisions designed to ward off raiders.

In its financial year ended Jan. 31, 1987, Stop & Shop earned \$38.4 million on sales of \$3.9 billion, compared with \$30.3 million on sales of \$3.4 billion in the previous year.

Towers Leads Purchase of Emery Stake

NEW YORK — Towers Financial Corp. said Thursday that it had led a group in purchasing about 5 percent of Emery Air Freight Corp. in a deal worth about \$6.86 million.

Towers said it was participating in a joint venture with air freight industry leaders and added that these executives would present a restructuring plan to return Emery and its Pulator unit to profitability.

In the nine months ended Sept. 30, Emery posted a loss of \$29.3 million on revenues of \$863.6 million. Emery acquired controlling interest in Pulator Courier Corp. in April.

Towers did not identify the executives.

In November, Towers said it would seek control of Pan Am Corp. by offering existing shareholders a newly issued class of Towers preferred stock with a dividend of 6 percent. At that time, Towers's stake of 100,000 shares represented less than 0.1 percent of Pan Am's stock. That bid apparently has not advanced since then.

CHINA: Signs \$20 Million Technology Pact With GM

But Xinhua said that China still had only 270,000 cars as of mid-1987. It quoted an auto industry expert as saying that the country would need 4 million cars and jeeps by the year 2,000.

News reports in recent months have suggested that Beijing is interested in finding an American partner for a factory in China that would produce 300,000 cars a year.

China currently produces about 450,000 motor vehicles a year, but most of them are trucks.

China formed its first joint venture with a foreign automaker in 1983, to produce Jeep Cherokee with American Motors Corp. AMC was forced to halt Jeep production in China for several months in 1986 because Beijing lacked the foreign exchange to buy the U.S.-made parts needed to assemble the vehicles.

Chrysler Corp. inherited the Jeep factory when it merged with AMC this year.

A joint venture in Shanghai is producing cars with technology from Volkswagen AG of West Germany, but has had to import most of its parts from overseas, creating a chronic need for foreign exchange expenditures.

China's joint ventures with foreign automakers also have been troubled by the country's underde-

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, 18th January, 1988.

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CURRENCY MARKETS

Dollar Edges Higher in New York

NEW YORK — The dollar closed slightly higher Thursday in New York amid nervousness about the U.S. trade deficit and an absence of fresh economic reports.

As no major U.S. indicators are to be released Friday, dealers predicted that the currency would end the week quickly stuck inside a narrow range.

The dollar closed in New York at 1.6574 Deutsche marks, up from 1.6570 at Wednesday's close, and at 127.25 yen, up marginally from 127.15.

French francs from 5.5905 and 1.3520 Swiss francs from 1.3450.

The dollar also gained against the British pound, which eased to \$1.7945 from \$1.7935.

The dollar had fallen earlier in the Far East after the U.S. trade representative, Clayton K. Yentzer, said the nation's trade deficit was unlikely to post a substantial improvement until the second half of 1988.

Mr. Yentzer's remark prompted some dealers to reassess the U.S. trade data for November released last week. The \$13.2 billion deficit originally was hailed as a vast improvement over the \$17.6 billion

London Dollar Rates

Table with columns: Currency, Bid, Ask, Source: Reuters

Discount Rate Cut to 3.25% in Netherlands

AMSTERDAM — The central bank of the Netherlands announced Thursday that it was cutting key interest rates by one-quarter point effective Friday, with the discount rate falling to 3.25 percent from 3.5 percent.

The secured loans rate was cut to 3.75 percent and the promissory notes rate to 4.25 percent.

The bank also reduced its 10-day special advances rate to 4.1 percent from 4.2 percent for Jan. 22 to Feb. 1. It said it was seeking to relieve tightness in the money market.

The Netherlands' central bank last cut its discount rate on Jan. 8, citing the guild's strength within the European Monetary System, the eight-currency joint float.

Friday's cut is the fifth reduction in the Dutch discount rate since Nov. 3.

Short-Term Markets Distort Japan Deregulation

TOKYO — Financial deregulation in Japan has been relatively swift, but to the eyes of many foreign bankers it has been distorted by controlled short-term money markets and the demands of national monetary policy.

Foreign banks can readily lend in Japan, but short-term markets are tightly regulated, which means the banks cannot always get the money to do it profitably.

Bankers disagree on the extent of the problem, but agree that the Bank of Japan is unlikely to ease conditions soon.

Anthony Hodge, the chairman of the Institute of Foreign Bankers in Japan, said the problem with the short-term markets "is a relatively complex issue, but is undoubtedly the most important by far for foreign banks operating in Japan."

Mr. Hodge, the head of National Westminster Bank in Japan, said, "Japan opened up the lending side first and kept the funding side till later."

The result, foreign banks say, is that while Japanese banks say, it managed to take 40 percent of total funds borrowed in the London money markets, more than 80 foreign banks in Japan take less than 3 percent of the equivalent Japanese market.

There is no actual liquidity problem. It is just a question of there being any spread left," said Paul Hofer, manager of Credit Suisse in Tokyo.

The main sources of short-term funds are collateralized and uncollateralized domestic markets and the Euromarkets.

The first is cheapest but is controlled by the Bank of Japan through a system of brokers, foreign bankers say.

Since 1983, the bank has allowed an open, uncollateralized market. Foreign banks can get their domestically raised short-term money from Japan at an eighth to a quarter of a percentage point higher than from the collateralized market.

All three sources of funds pose problems for the foreign banks, but they see the main problem in the

Learning to Deal in Currency Options

TOKYO — Japanese corporate treasurers, eager to hedge against exchange rate volatility, are learning to tell their straddles from their strangles.

"Large corporations, especially car companies and export-oriented firms, are increasingly using options," said Kazuteru Tanaka, senior deputy general manager at Bank of Tokyo Ltd.

A straddle consists of an equal number of put and call options on the same instrument at the same strike price and maturity date. Strangles use put and call options as a hedge. Long strangles bet on volatility and short ones on stagnation.

Tokyo has yet to establish a formal currency options market.

"The car makers in particular," Mr. Tanaka said, "have been most keen to manage foreign exchange risk exposure due to the yen's appreciation."

Analysts estimate that volume in currency options at least doubled last year and is projected to grow by more than 50 percent this year.

Volatility in exchange rates and intensified concern among exporters, importers and some trading

houses that rebound in the U.S. currency could lock them into below-market forward rates, or cost them forward contract cancellation penalty fees, have fueled the use of options, say market analysts.

Peter Skorpil, vice president at Citibank NA in Tokyo, said, "As volatility of the dollar/yen exchange rate continued, people who said option premiums were too expensive began to change their minds."

A dollar put, for a premium, gives the buyer the option of selling dollars at a fixed price within a certain period.

In contrast, selling forward locks the holder of dollars into selling dollars on pain of cancellation penalties based on the difference between the forward rate and the current spot rate, dealers said.

Citibank and the Bank of Tokyo have carved out a market niche providing sophisticated packages that mix puts with calls, or share option writing between the bank and client.

Mr. Tanaka estimates options cover 1 to 5 percent of the \$12.5 billion a month exporters earn from overseas sales. That could grow to 30 percent over the next two years, he said.

LAWSON: U.K. Chancellor Softens His Call on U.S. to Defend Currency

(Continued from Page 1) Mr. Lawson conceded that there might well be disagreement among the Group of Seven over when to halt the dollar's rise if the currency starts surging upward.

It is conceivable, he said, that the United States would ask the other countries to join in intervention to keep the dollar down and that West Germany and Japan would decline. That would have to be "resolved in discussions," he said.

Mr. Lawson also revealed that the U.S. authorities had been obliged to intervene to support the dollar to correct an erroneous interpretation of the Group of Seven communiqué by Beryl W. Sprinkel, the chairman of President Ronald

Reagan's Council of Economic Advisors.

Mr. Sprinkel had been "180 degrees incorrect" in interpreting the statement as allowing a further fall in the dollar's value, he said.

Mr. Lawson also welcomed a U.S. decision to sell its International Monetary Fund special drawing rights to Japan if necessary to support the dollar.

He also said he accepted that too more budget cuts could be expected for the current U.S. fiscal year, which ends Sept. 30. But he added that a new administration should start work on further budget cuts for fiscal 1989 as soon as possible after the U.S. general elections.

Mr. Lawson said that after the election, he probably would relaunch his proposal for a new system of managed exchange rates, which he first presented at the IMF's annual meeting in September.

The plan calls for Group of Seven countries to agree on ranges for their currencies and commit themselves to sustaining those rates through monetary and fiscal policy.

He reiterated, however, that Britain should not join the European Monetary System of jointly floating European exchange rates until "the time is right."

Thursday's OTC Prices

NASDAQ prices as of 4 p.m. New York time. This compilation is for 400 of the 1,400 most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table of OTC prices for various stocks including IBM, Microsoft, and others.

Table of stock prices for various companies including General Electric, Ford, and others.

Table of stock prices for various companies including American Express, Coca-Cola, and others.

Table of stock prices for various companies including AT&T, Boeing, and others.

Thursday's AMEX Closing

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trading elsewhere.

Table of AMEX closing prices for various stocks.

SPORTS

Scalping in Washington: The Pits of High Finance

By Angus Phillips. WASHINGTON — When the Washington Redskins Super Bowl ticket holders showed up Wednesday at RFK Stadium to claim their prizes...



Steffi Graf, above, beat Claudia Kohde-Kilsch, 6-2, 6-3, in the Australian Open semifinals, which pointed her toward Chris Evert, right, the 6-2, 7-5 winner against Martina Navratilova.

Evert Pulls Off Upset Of Navratilova, Plays Graf in Open Final

MELBOURNE — Chris Evert defeated long-time rival Martina Navratilova on Thursday and topped-seeded Steffi Graf routed fellow West German Claudia Kohde-Kilsch in gain the women's finals of the Australian Open.

SPORTS BRIEFS

Flores Quits as Coach of NFL Raiders. LOS ANGELES (NYT) — Tom Flores, for nine seasons the coach of the Los Angeles Raiders of the National Football League, quit Wednesday.

It's Really a Gold Rush in Many Winter Sports

United Press International. VAL D'ISERE, France — The well-orchestrated routine begins as soon as top downhill skier Daniele Maher crosses the finish line.

As Sponsors Battle for the Spotlight, It Pays Off Richly for Top Athletes

California called Mike Weaver, who was buying tickets for his brother in San Diego. "They made a misconception about the price. I've got no room to work these guys."

Haas Putts Into Lead of Bob Hope Golf

INDIAN WELLS, California (UPI) — Jay Haas, helped by a "magic day" with his putter, shot nine-under-par 63 Wednesday for a one-stroke lead after one round of the Bob Hope Classic golf tournament.

Schiller Suddenly Quits as USOC Head

WASHINGTON (AP) — The U.S. Olympic Committee's executive director, Harvey Schiller, abruptly resigned Wednesday after just 16 days on the job and was immediately named to his former position as commissioner of the Southeastern Conference.

Florida Upsets No. 4 Kentucky

The Associated Press. LEXINGTON, Kentucky — The University of Florida's basketball team put No. 4-ranked Kentucky in the no-win zone, and the result was another upset at Rupp Arena.

For the Record

Dan Marino, quarterback of the NFL Miami Dolphins, said he will undergo arthroscopic surgery on his left knee and not be able to play in the Pro Bowl all-star game.

Transition

BASEBALL. NATIONAL LEAGUE. LOS ANGELES — Agreed to terms with Atlanta Braves, which is a one-year contract.

Hockey

NHL Standings. WALSLEY DIVISION. Philadelphia 27, 17, 6, 52, 128, 143. NY Islanders 22, 18, 5, 49, 161, 144.

Tennis

Australian Open. (A) Men's Singles. Steffi Graf (1), West Germany, def. Claudia Kohde-Kilsch (2), West Germany, 6-2, 6-3.

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OBSERVER

A Nagging Question

By Russell Baker

NEW YORK — Glued to Sunday's televised football, I was astonished by the high volume of commercials for goods and services which are of little or no use to most football fans.

This revived a question that has nagged me since Jack Klugman started making commercials for desktop copying machines: What percentage of the typical television audience buys desk copying machines?

"Minscule" is my guess. I know nobody with a copier on his desk. I have met some people whose jobs probably include the task of buying copying machines for their companies, and maybe their decisions are influenced by Klugman's commercials, though it seems unlikely.

On second thought, it doesn't seem so unlikely. There has to be some explanation why the Japanese were able to make off so easily with the store.

Still, the puzzling question remains: Why buy those expensive TV commercials to advertise something the mass audience doesn't buy? In the past, TV commercials have pushed stuff for which a large percentage of the audience regularly buys: breakfast cereal, soap, canned soup, beer, toothpaste, cars, mouthwash, patent medicine.

Two interesting things about these commercials: (1) They gave no clue to what the company makes, or does; (2) the corporate quality celebrated in them was chintzy rather than Klugmanesque warmth.

These employees shun social activities in their spare time. Solitary activities with high robotic payoff are their idea of a good time. A

female employee swims in a pool otherwise empty of people. A male rows alone on a river.

Are they enjoying themselves? It doesn't look like it. There is something inhuman in the relentless motion with which the female swims and in the expressionless features of the man in his lonely boat.

We grasp this truth when they cease their joyless recreation and say, "What if —?" That "What if" is the TV equivalent of the light bulb that used to shine over the heads of comic-strip characters to signify the birth of an idea.

As an average, I hope, football watcher, I was depressed by these commercials, for like the typical Hewlett-Packard customer, I know, I have a difficult problem to be solved: how to stop huge sheets of ice and alarmingly heavy icicles from forming every winter from an awkward rain-gutter confluence at roof level in the back of my house.

And so I am reminded once again that, despite the diversionary football, we live in a country where the rich get richer while the poor get heavy ice-and-icicle damage to their roof gutters.

Why doesn't Hewlett-Packard just telephone them instead of reminding us impudently millions that our gutters could fall before the game is over?

New York Times Service

Dorothy Cotton: Civil Rights and Dreams

By Phil McCombs

WASHINGTON — One day in the late 1950s, Dorothy F. Cotton, a graduate student, was picketing a Petersburg, Virginia, store where blacks weren't allowed at the lunch counter.

Cotton was stunned. "I put down my picket sign and talked to him. I said, 'How do you feel when your wife goes to the dime store but has to go back home if she wants a cup of coffee?'"

Her five-day workshops — most of them held at a schoolhouse in McIntosh, Georgia, where slaves had once gone — were part of the beginning of a massive voter registration and education drives that were to transform American society generally and the political landscape in the South in particular.

When Cotton started her work, there were only 78 black elected officials in the South, according to Linda Williams, associate research director at the Joint Center for Political Studies, a black research organization.



Civil rights campaigner Cotton: "You must care about what's not working right in our society."

officials in the South, according to Linda Williams, associate research director at the Joint Center for Political Studies, a black research organization. Today there are 6,681 black elected officials in the United States, including 303 black mayors — two-thirds of them in the South.

That's still only 1.4 percent of elected officials in the United States, but voter registration statistics suggest the possibility of further change. In 1964 in the South, 52 percent of blacks were registered, compared with 61 percent of whites. But by 1986, Williams said, black registration in the South outpaced white registration for the first time, 65 to 63 percent.

Washington Post-ABC News surveys taken in late 1987 show a difference of less than 1 percent between black and white registration nationally. Black voters helped return Democrats to power in the U.S. Senate in the 1986 election by voting to unseat incumbents in such states as Alabama, Georgia and North Carolina.

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PEOPLE

Rock 'n' Roll 'n' Scratch At Hall of Fame Dinner

Paul McCartney refused a ticket to ride and Diana Ross decided it wasn't a day to be together, going Beach Boy Mike Love bad vibrations at a lively induction dinner for the Rock 'n' Roll Hall of Fame.

In September 1960, after Cotton had married and received a master's degree in speech therapy from Boston University, her husband drove her to Atlanta, where she intended to work at SCLC for six months or so.

George Burns' philosophy upon reaching age 92: "So when you're 17, you become 18. When you're 39 you become 100. I can't afford to die. I'd lose a fortune." Burns made the crack and several others Wednesday night at the kind of birthday party he enjoys at a fashionable restaurant in Beverly Hills, California, surrounded by pretty women and fellow comedians.

Stephen Hawking, a British physicist, won a major international award on Wednesday for his attempts to understand the beginnings of the universe. Hawking, of Cambridge University, who has been almost completely paralyzed by a degenerative disease and has to communicate through a computer, is to share this year's \$100,000 Wolf Prize for Physics with his Oxford colleague Roger Penrose.

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE. Appears on page 6. ANNOUNCEMENTS, PUBLIC AUCTION HOTEL in ST MARTIN, FWI March 3rd, 1988, COURT OF BASSE TERRE, GUADELOUPE, SALE OF LUXURY HOTEL, 11 buildings forming an amphitheatre, 18 rooms, restaurant, swimming pool and private access beach.

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LATIN AMERICA TOWARDS RENEWED GROWTH. London, February 11-12, 1988. The second international conference co-sponsored by the International Herald Tribune and the Inter-American Development Bank.

Missile Pact, S. Sets Plan, Europe's Arm, Kiosk, Margill Retains, Union Post, Sweden, Australia, Open title on Page 13.